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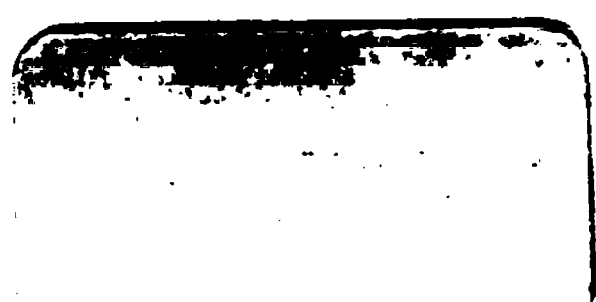
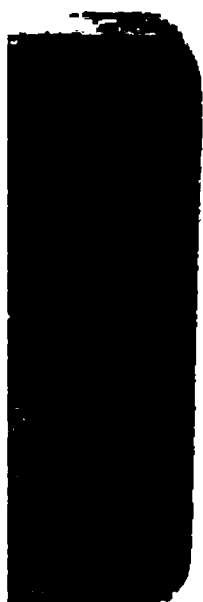
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REPORTS
OF
CASES ARGUED AND DETERMINED
IN THE
Circuit Court of the United States
FOR THE SECOND CIRCUIT.

BY SAMUEL BLATCHFORD,
AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES.

VOLUME XXIV.

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J U D G E S

OF THE CIRCUIT COURTS OF THE UNITED STATES

WITHIN THE SECOND CIRCUIT,

DURING THE TIME OF THESE REPORTS.

SAMUEL BLATCHFORD, ASSOCIATE JUSTICE OF THE
SUPREME COURT OF THE UNITED STATES.
WILLIAM J. WALLACE, }
EMILE HENRY LACOMBE,* }

CIRCUIT JUDGES OF THE SECOND JUDICIAL CIRCUIT.

DISTRICT JUDGES.

ADDISON BROWN, SOUTHERN DISTRICT OF NEW YORK.
ALFRED C. COXE, NORTHERN DISTRICT OF NEW YORK.
CHARLES L. BENEDICT, EASTERN DISTRICT OF NEW
YORK.
HOYT H. WHEELER, VERMONT.
NATHANIEL SHIPMAN, CONNECTICUT.

* Under the Act of March 8d, 1887, (24 *U. S. Stat. at Large*, 492, chap. 347,) providing for the appointment of an additional Circuit Judge for the Second Judicial Circuit, EMILE HENRY LACOMBE, Esq., was appointed such Judge by a commission dated May 26th, 1887, during the recess of the Senate, and took the oath of office July 1st, 1887. His nomination was confirmed by the Senate February 28th, 1888.

ERRATUM.

Page 460, line 3 from the bottom, for "1883 " read "1868."

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CASES
ARGUED AND DETERMINED
IN THE
Circuit Courts of the United States
WITHIN THE SECOND CIRCUIT.

THE CARGO OF THE MARIA LUIGIA.

THE MARIA LUIGIA.

The charter-party of a sailing vessel carrying a cargo of oranges and lemons from Messina to New York contained this clause: "Being essentially necessary for the good preservation of the cargo, it is especially agreed that the vessel, on leaving Gibraltar, shall go to the northward of the Western Islands, and keep north of that latitude, unless absolutely forced south by stress of weather, in which case the vessel's log-book shall furnish evidence of that fact." The log-book, during the time the vessel was sailing on the port tack, for 40 hours, after leaving Gibraltar, on a course which would take her to the northward of the Western Islands, contained these entries: "the vessel laboring greatly and the sea breaking on deck;" "vessel laboring heavily from high sea." She then changed to the starboard tack, the log-book saying: "on account of heavy sea take starboard tack;" "obliged from heavy sea to keep starboard tack, in order not to have the vessel suffer much." After holding the starboard tack for 28 hours, she went on the port tack for 6 hours, and then changed to the starboard tack, the log-book saying, "the vessel suffering much on port tack." The evidence showed that relief was often given by change of tack, under the circumstances stated, and there was nothing to cast suspicion on the good faith of the master. The vessel passed to the south of the Western Islands: *Held*,

(1.) Suffering from heavy labor in high seas was such "stress of weather" as the charter-party meant;

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- (2.) The log-book furnished evidence that the vessel was "absolutely forced south by stress of weather ;"
- (3.) It was not her duty, when she had passed the westerly longitude of the Western Islands, to attempt to go to the northward ;
- (4.) There was no breach of the charter-party and the whole charter money was earned.

(Before BLATCHFORD, J., Eastern District of New York, June 29th, 1886.)

LUIGI PIRANDELLO, the owner of a cargo of oranges and lemons brought by the bark Maria Luigia from Messina to New York, brought a libel *in rem* against her, in the District Court, to recover damages for injury to the cargo. The owners of the bark brought a libel *in rem* against the cargo, in the same Court, to recover the freight money due on the cargo. The District Court, (18 *Fed. Rep.*, 556,) decreed for the owner of the cargo, in the first suit, and dismissed the libel in the second suit. The owners of the bark appealed to this Court, in both suits.

This Court found the following facts :

" 1. On December 12th, 1880, the Fratelli Savarese were the owners of the Maria Luigia, an Italian vessel of 469 tons register.

2. On that day, at Messina, Sicily, the then master of said bark entered into a charter-party of said bark, with Luigi Pirandello, a merchant of Messina, by which it was, among other things, stipulated and agreed that the vessel, then lying at Naples, should proceed to Messina and load a full and complete cargo of green fruit, or other lawful merchandise at charterer's option, " the charterer to have the option of shipping brimstone for ballast," and, being so loaded, should therewith proceed direct to New York, Philadelphia, or Baltimore, one port only to be named by the charterer on signing bills of lading * * * and there deliver the same according to bills of lading, on being paid freight * * * at the sum of fourteen hundred gold American dollars in full, if sent to New York * * * " with " fifty like dollars gratuity to the captain. The act of God, restraint of princes and rulers, the nation's enemies, fire and all and every other dan-

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gers and accidents of the seas, rivers, and navigation, of whatever nature and kind soever during the said voyage, always excepted. The freight to be paid in cash on a true and right delivery of the cargo. * * * "Being essentially necessary for the good preservation of the cargo, it is especially agreed that the vessel, on leaving Gibraltar, shall go to the northward of the Western Islands, and keep north of that latitude, unless absolutely forced south by stress of weather, in which case the vessel's log-book shall furnish evidence of that fact. Twenty-five running days are to be allowed the said merchant (if the ship be not sooner dispatched) for loading, to commence in Messina, when in free pratique and ready to load, and usual time allowed for unloading, according to custom of respective ports. The boxes of fruit to be stowed with the usual ventilation, as customary for the United States. * * * Stevedore to be provided by the charterer. * * * And ten days on demurrage over and above the said laying days, at twenty-five gold dollars per day." "Penalty for non-performance of all the aforesaid clauses in this charter, amount of freight."

3. The "Western Islands," referred to in this charter-party, are the islands also known as the Azores, and they are geographically situated between the parallels of $39^{\circ} 45'$ and $36^{\circ} 57'$ north latitude, and between the meridians of $31^{\circ} 10'$ and $24^{\circ} 55'$ longitude west of Greenwich.

4. Thereafter, the vessel, which was lying at Naples, proceeded from there to Messina, where she arrived on January 21st, 1881. The master notified the charterer on January 27th, that the vessel would be ready to receive cargo, under the charter, on the next day, and received reply that the vessel's lay days would commence on the 28th.

5. On February, 17th, 1881, the vessel began to load brimstone, and finished loading it on February 23d, having taken on board 2,600 cantars, equal to 200 tons.

6. On the 5th of March, 1881, after the expiration of the lay days for loading, the vessel began to load fruit, and finished loading it on the evening of March 9th, having taken

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on board 1,500 boxes of lemons and 4,766 boxes of oranges. The boxes of fruit were stowed with the usual ventilation as customary for the United States.

7. After the loading of the cargo, and on March 9th, 1881, the master executed bills of lading for the cargo, which contained, among other things, this provision: "Ignoro peso e qualita, affermo numero casse, tutt' altro dic' essere." They also stated that freight was to be paid "as per charter-party."

8. The quality of the oranges, when shipped at Messina, was inferior. The weather, at and prior to the shipment, was warm and rainy, and unfavorable for the preservation of fruit, and the keeping quality of the fruit that year was poor.

9. On March 10th, 1881, the vessel sailed from Messina for New York, being tight, staunch, strong and every way fitted for the voyage. She passed out of the Straits of Gibraltar on April 16th, and arrived in New York on May 28th, 1881.

10. After leaving Gibraltar, the record of the navigation, as given in the navigation log, (Cafiero, Exhibit 3,) is as follows, the same being a translation from the original in Italian:

"From noon of April 17 to noon of April 18.

Between noon and four o'clock p. m. wind S. W., force 5 to 6—*i. e.*, strong to very strong. Compass course of vessel W. N. W., weather pretty clear, sea heavy and cross; leeway of vessel 22 degrees; magnetic variation at the place where the vessel was then sailing, 19 degrees to N. W.; the correct course N. 65 degrees W. Vessel's run $1\frac{1}{2}$ miles each hour. Barometer nothing, thermometer nothing.

Under the heading of "remarks" of principal manœuvres executed, discoveries made, and other annotations, is the following for the four hours between 12 m. and 4 p. m.: "Air half clear, with alternating squalls; vessel navigating with main top-sail reefed, and fore-sail, on the port tack; the vessel laboring greatly and the sea breaking on deck."

Between 4 and 8, wind W. S. W., force 4—*i. e.*, fresh

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wind; compass course N. W. Nothing is reported as to state of weather and of sea, leeway, variation and correct course. Vessel's run 2 miles each hour. Barometer indicated to be 29.7.

Under "remarks" there is written "wind of less force, the fore top-sail reefed is loosened as well as the jib."

Between 8 and 12, direction of the wind and compass course, state of the weather and of the sea, leeway, variation and correct course, are not marked; the force of the wind is, however, noted to be 3—i. e., steady wind, and the run of the vessel to be 1½ miles for each hour. Thermometer marked at 18 C.

Under "remarks" there is the following: "At 10, strong squalls, making the vessel remain with the lower top-sails only."

Between 12 and 4 o'clock in the morning nothing is marked in the log, except vessel's run—two miles each hour.

Between 4 and 8 it is recorded that the wind is southwest; compass course of vessel, W. N. W. No record is made of the state of the weather, or of the sea, or of the leeway, or of the variation, and the correct course is recorded to have been N. 67° W. There is no record for the barometer or thermometer. Vessel's run 2½ miles each hour.

Under "remarks" there is the following: "At 8 o'clock frequent lightning from W. N. W."

Between 8 and 12 the wind is recorded as S. W. by S. Compass course of vessel W. by N. No record for the weather or sea; leeway 11. No record for magnetic variation. Correct course, N. 86° W. Barometer illegible; no record for the thermometer. Vessel's run, 2½ miles each hour.

At the foot of the page of the day from the 17th to the 18th, the summary of the day's events are reported to be that the vessel made a correct course of N. 65° W. for 28 miles; a correct course of N. 67° W. for the succeeding 10 miles; and a correct course of N. 86° W. for the succeeding 10 miles; and

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the estimated northing is recorded to be 16.4 miles and the estimated westing 44.6 miles.

The estimated latitude for that day is recorded as $36^{\circ} 05'$ N., and the estimated longitude as $8^{\circ} 43'$ W. of Greenwich; and by observation at noon of that day the latitude is recorded as $36^{\circ} 12'$ N., and the longitude $8^{\circ} 44'$ W. of Greenwich.

From noon of the 18th to noon of the 19th.

Between noon and 4 o'clock P. M. the wind S. W., force 5, *i. e.*, strong, compass course of vessel W. N. W., sky cloudy with squalls, sea heavy from the 3d and 4th quadrant, leeway of vessel 11 degrees, magnetic variation 20 degrees S. Correct course N. 77° W. Nothing for barometer or thermometer; vessel's run two miles and one-half the first hour, one-half mile the second hour, four miles the third hour, and three miles the fourth hour.

Under "remarks" there is written, "wind fresh from the 3d quadrant, heavy sea, sailing on the port tack, with reefed topsails and foresail, mizzen staysail and jib."

Between four and eight, wind W. S. W., compass course of the vessel N. W. No record for the sky and sea, leeway 17 degrees, marks for "ditto" in column for magnetic variation, correct course, N. 48° W., barometer 29.5, thermometer 18.2, vessel's run two miles and a half each hour. Nothing under "remarks."

Between eight and twelve, no record of the direction of the wind, state of the weather, or sea, or of the leeway, or of variation; compass course, "ditto."

Correct course N. 65° W., no record for barometer or thermometer, vessel's run one mile and a half each hour. Nothing under "remarks."

Between twelve and four o'clock and in line corresponding to one o'clock in the morning, wind S. S. W., compass course W., state of weather squally, sea heavy, marks for "ditto" in column for leeway, and in that for variation. Correct course, S. 87° W., nothing for barometer or thermometer, vessel's run two miles between 12 and 1, and

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two miles between 1 and 2; in line corresponding to 3 o'clock in the morning, wind S. W. Compass course of the vessel, W. N. W. Nothing said for the state of the weather or sea; the marks "ditto" in column of leeway and deviation. Correct course N. 70° W. Nothing for barometer or thermometer. Vessel's run, 2 miles between 2 and 3, and 1 mile and a half between 3 and 4.

Under "remarks:" "Rainy weather, little wind, navigating with topsails and foresail reefed; vessel laboring heavily from high sea."

Between 4 and 8, in line corresponding to 5 o'clock in the morning, the wind W. S. W., compass course S.; nothing recorded for sky, sea, leeway or variation. Correct course, S. 20° E. Vessel's run, one mile and a half between 4 and 5, one mile and a half between 5 and 6, one mile between 6 and 7, and one mile between 7 and 8 o'clock.

Under "remarks:" "On account of heavy sea take star-board tack."

Between 8 and 12:

Nothing reported under direction of wind, compass course, state of weather, or of sea, of leeway or of variation. Marks for "ditto" under column of correct course. Vessel's run, two miles between 8 and 9, two miles between 9 and 10, two miles and a half between 10 and 11, and two miles and a half between 11 and 12.

Under "remarks:" "Up to noon, less wind."

At the foot of the page of the day from the 18th to the 19th, the summary of the day's events is reported to be that the vessel made a correct course N. 77° W. for eleven miles; N. 48° W. for thirteen miles; N. 65° W. for six miles; S. 87° W. for four miles; N. 70° W. for three miles and a half; and S. 20° E. for fourteen miles.

The estimated northing recorded, after deducting the estimated southing, is 1.7 mile, and the estimated westing, after deducting 4.8 miles of easing, is 27.8 miles.

The estimated latitude for that day is recorded as $36^{\circ} 14'$ N., and the estimated longitude as $9^{\circ} 18'$ W. G. And by

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observation at noon of that day, the latitude is recorded as $36^{\circ} 10' N.$ and $9^{\circ} 22' W.$ of G.

From noon of April 19 to April 20.

Between noon and 2 o'clock P. M. :

Wind W. by S., force 4, *i. e.* fresh wind. Compass course of the vessel S. by W. State of weather half clear, sea heavy, leeway 22, variation 21, corrected course $S. 45^{\circ} E.$, barometer 27.5. Thermometer 18 C.

Vessel's run, two miles and a half each hour.

Between 2 and 4 o'clock :

Direction of wind W. Compass course of vessel S. S. W. No record in other columns. Vessel's run, one mile and a half each hour.

Under "remarks," for the four hours between twelve and four, there is recorded, "weather half clear, with alternating squalls, high sea from W. S. W., navigating with topsails reefed, foresail and mainsail. Obligated from heavy sea to keep starboard tack, in order not to have the vessel suffer much."

Between 4 and 8 o'clock :

No entries under columns, except that vessel's run is recorded as one mile and a half each hour, and under "remarks" the word "continues."

Between 8 and 12 o'clock :

On line corresponding to ten o'clock, wind is recorded as W. Compass course of vessel S. S. W. Nothing for state of weather or sea, marks "ditto" for leeway and variation. Corrected course $S. 22^{\circ} E.$ Vessel's run, between eight and ten, one mile and a half each hour; between ten and twelve, two miles each hour. Under "remarks," and on line corresponding to nine o'clock, there is recorded "reef from fore-sail shake off."

Between 12 and 4 o'clock :

"Ditto" for direction of wind and compass course of the vessel. No record of weather and sea; leeway, 11. Corrected course $S. 11^{\circ} E.$ Vessel's run, two miles and a half each hour.

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Under "remarks," a scroll, which would indicate, same as above.

Between 4 and 8 o'clock.

Wind W. 6 degrees S. Compass course of vessel S. 17 degrees W.; leeway 17 degrees. Corrected course S. 22 degrees E.

Vessel's run 3 miles each for the first 2 hours, and three miles and a half for each of the succeeding two hours.

Under "remarks" there is recorded "at 6 o'clock, the air being lighter, we shake off the reef from the fore topsail, and spread the main topsail. At 8 o'clock it is taken in again, and changed tack."

Between 8 and 12 o'clock :

Wind W. by S. Compass course N. W. by N. Correct course, N. 55° W. Vessel's run, 4 miles each first two hours, and 3½ each of next two.

Under "remarks," "continues same up to noon. Port tack."

At the foot of the page of the day for the 19th to 20th, the summary of the day's events is reported to be that the vessel made a correct course of S. 22° E. for 44 miles, and N. 55° W. for the succeeding 15 miles. The estimated southing, after deducting the estimated northing, was 32.2 miles, and the estimated easting, after deducting the estimated westing, was 4.2 miles. The estimated latitude for that day is recorded at 35° 38' N. Estimated longitude 9°.07' W. of G. And by observation the latitude is recorded as 35° 41' N., and the longitude 9°02' W. of G.

From noon of April 20 to April 21.

Between 12 and 2 o'clock.

Wind W. N. W. Compass course N. State of weather cloudy, sea high, leeway 22, variation 22° W. Corrected course N. Barometer 29—the thermometer 18.3 C. Vessel's run, 3 miles for the first hour, 2 miles for the second hour. At 3 o'clock wind N. W. by N. Vessel's course S. W. by W. Leeway, 11. Corrected course S. S. W. Vessel's run 3 miles for the first hour, two miles for the second hour.

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Under "remarks," for the four hours between 12 and 4, the following is reported, "always rainy weather, with fresh wind and heavy sea from the W. Can hardly keep topsail reefed; at 2 o'clock we take the starboard tack—the vessel suffering much on port tack."

Between 4 and 8 o'clock:

Wind W. N. W.; compass course S. W. Sea very heavy, leeway 17; corrected course S. 6° W. Barometer 29.6. Vessel's run, 2.8 each of the first two hours, 2.6 each of the succeeding two hours. Under "remarks," for the four hours between 4 and 8, "wind continues very fresh. Navigating in same way and with same sails."

Between 8 and 12 o'clock:

No record for wind, compass course, state of weather, or sea; leeway, 11. Corrected course S. S. W. Barometer, 29.7. Vessel's run, two miles for first hour; one mile and a half each second and third hours; two miles the fourth hour.

Under "remarks," for the four hours, "weather less rainy, and wind less fresh—at midnight spread mainsail and jib."

Between 12 and 4 o'clock:

Wind N. W. by W. Compass course, S. W. by W.; leeway, 11; corrected course, S. 22 degrees W. Vessel's run, two miles and a half each hour.

Under "remarks," "up to four o'clock, frequent rain."

Between 4 and 8 o'clock:

Wind N. W. Compass course W. S. W.; leeway, 22 degrees; variation same. Correct course, S. W. Barometer, 29.8 Vessel's run, two miles and a half for each of the first two hours, and three miles and a half for each of the next two hours.

Under "remarks," "at 5 o'clock, wind regular from N. W. Spread all sail to the wind."

Between 8 and 12 o'clock:

Wind N. W. by W. Compass course S. W. by W. Corrected course S. 33° W. Vessel's run, 3 miles each hour.

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Under "remarks," "until noon, wind of less force."

At the foot of the page for the day from the 20th to the 21st, the summary of the day's events is reported to be, that the vessel made a correct course of N. for 5 miles; of S. S. W. for 14 miles; of S. 6° W. 11 miles; S. 22° W., 10 miles; S. W., 12 miles; S. 33° W., 12 miles. And the estimated southing, after deducting the estimated northing, is recorded to be 37.8, and the westing, 25 miles. The estimated latitude is recorded to be 35° 03' N., and the estimated longitude as 9° 32' W. G.; and by observation at noon of that day the latitude is recorded as 34° 54' N., longitude 9° 29' W. of G."

(The entries in the navigation log after noon of April 21st are omitted in printing.)

"11. The master of the bark, soon after his arrival in the port of New York, was requested by the agents and consignees of the libellant Pirandello, to produce his log-book for examination, and in compliance therewith produced to them a book, marked "Exhibit A, Cafiero," being the general log of the vessel, wherein the record relating to the voyage in dispute is as follows, according to the translation ("Exhibit 1½ Cafiero") from the original in Italian: "

(The entries prior to noon of April 17th and after noon of April 21st are omitted in printing.)

"17th to 18th of April:

P. M. Rainy weather and fresh wind from S. W., sail under reefed topsails on port tacks.

A. M. All as above.

At noon observed latitude 36° 12' N., and observed longitude 8° 44' W. G.

18th to 19th April:

P. M. Continues the same, with rough sea from the direction of the wind.

A. M. Continues the same, with less wind.

At noon observed latitude 36° 10' N., and longitude 9° 22' W. G.

19th to 20th of April:

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P. M. Strong wind from west, with squally weather, and high sea from W. S. W.

Sailed under reefed mainsail, foresail, topsails, and are compelled by the rough sea to keep starboard tacks.

A. M. The wind having become more moderate, set up main gallant sail.

At 8 o'clock vessel goes about and sails on port tacks.

At noon observed latitude $35^{\circ} 41'$ N., and observed longitude $9^{\circ} 02'$ W. G.

20th to 21st of April :

P. M. The wind becomes stronger from W. N. W., with high sea from the direction of the wind.

Keep reefed topsails by force.

A. M. Less wind with frequent showers.

At sunrise set up all sails.

At noon observed latitude $34^{\circ} 54'$ N. and longitude $9^{\circ} 29'$ W. G."

"12. After the bark left Gibraltar, she endeavored to go to the northward of the Western Islands, and to keep northward of that latitude, and continued so to do until April 18th-19th, on which day she was obliged to take the starboard tack in consequence of her laboring heavily while on the port tack, on account of the high seas, and was absolutely forced south by stress of weather. On the following day she again changed to the port tack, and made another effort, for six hours, to go to the northward of the Western Islands, and to keep north of that latitude, but she was again compelled, by stress of weather, to change to the starboard tack, the heavy sea having caused her to suffer heavily, and was absolutely forced south by stress of weather. Thereafter, and until she had passed the longitude of the Western Islands, stress of weather made it impossible for her to pass to the northward of them.

13. The bark's log-book, consisting of the two logs above named, furnishes evidence that for the time above named she was absolutely forced south by stress of weather.

14. After passing the longitude of the Western Islands, it would have been imprudent on the part of the master of the

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bark to take a course which would have then carried her to the northward of the latitude of the Western Islands. On the contrary, she was absolutely forced southward of that latitude by stress of weather, and her log-book, consisting of the two logs above named, furnishes evidence of that fact.

15. Upon the arrival of the bark in New York she made a true and right delivery of her cargo to the consignees thereof, who received and accepted the same.

16. The charter-party was fully performed by the bark.

17. The balance of freight money due to the owners of the bark, under the charter-party, after her arrival in New York and the delivery of her cargo, was the sum of \$970.

18. By reason of the above findings of fact, no facts are found on the subject of any damage to any of the cargo."

On the foregoing facts this Court found the following conclusions of law :

" 1. The proper construction of the clause in the charter-party, 'that the vessel, on leaving Gibraltar, shall go to the northward of the Western Islands, and keep north of that latitude, unless absolutely forced south by stress of weather,' is, that if, by stress of weather, the vessel was prevented from going to the northward of the Western Islands, she was not required either to go to the northward of the Western Islands, or to keep north of that latitude.

2. The owners of the bark are entitled to a decree dismissing the libel of Pirandello against her, with costs to them in the District Court and in this Court, to be taxed, and adjudging that they recover against her cargo the above named balance of freight, being \$970, with interest from June 21st, 1881, with costs in both courts to be taxed."

Lorenzo Ulo, for the charterer and the cargo.

Hill, Wing & Shoudy and *R. D. Benedict*, for the bark and her owners.

BLATCHFORD, J. In deciding these cases against the bark and her owners, (18 *Fed. Rep.*, 556,) the District Judge held

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that the facts stated in the log-book did not prove that the master of the bark was forced by stress of weather to abandon the northern passage. He found that the log-book stated the reason for changing, on April 18th-19th, from the port tack to the starboard tack, that is, from the northward to the southward course, to be, "to relieve the vessel from the labor she was subjected to in the high sea running;" and he held that the motive so stated could not have been the real motive, because "the vessel was close-hauled on both the tacks, and the wind and sea continued the same," and "the vessel would, therefore, labor as much on the starboard as on the port tack," and "changing the tack could not bring relief from the labor." The log shows that at 5 A. M. on the 19th, the wind being west southwest, and the vessel being able, with that wind, to head northwest, or six points from the wind, she left the port tack, and went on the starboard tack, and headed south, or six points from the wind. From midnight to 4 A. M. the navigation log says, "vessel laboring heavily from high sea." From 4 A. M. to 8 A. M. that log says: "On account of heavy sea take starboard tack." On April 19th-20th, from noon to 4 P. M. of the 19th, the navigation log says: "Obliged from heavy sea to keep starboard tack, in order not to have the vessel suffer much;" and the general log says: "P. M., are compelled by the rough sea to keep starboard tacks." At 8 A. M. of the 20th, the vessel went on the port tack again, with the wind west by south, and headed northwest by north, and in 4 hours ran 15 miles, as shown by the navigation log. The general log says: "A. M. At 8 o'clock vessel goes about and sails on port tacks." On April 20th-21st, from noon to 2 P. M. of the 20th, with the wind west northwest, the vessel headed north, and ran in the 2 hours 5 miles, as the navigation log shows. That log also shows that at 2 P. M., with the same wind, the vessel changed to the starboard tack, the entry being, "at 2 o'clock we take the starboard tack, the vessel suffering much on port tack," and that at 3 P. M., with the wind northwest by north, she headed southwest by west.

As to the fact whether changing the tack, with the same

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wind and sea, still remaining close-hauled, will relieve a vessel from labor, the new evidence taken in this Court is overwhelming to show that such relief is often given by such change of tack, under the circumstances stated. As, therefore, the reason for the change might be sound, and the motive a real one, and there is nothing to cast suspicion on the good faith of the master of the vessel, the only question is, whether suffering from heavy labor in high seas is such "stress of weather" as the charter-party means. Undoubtedly it is. The consequence of the labor might be, opening of seams, and leakage, with damage to cargo, or shifting of cargo, and prolongation of the voyage. Much must be left to the sound judgment of the master, at the time, and the criticism which is the result of a wisdom which comes after the event, and is easily made by those who were not on the spot, is a poor substitute for the deliberate conclusion of an experienced man, charged with the responsibility of action, under the exigencies of the occasion. His log-book shows why he went south, and "furnishes evidence" that he was "absolutely forced south by stress of weather." The preponderance of evidence to outweigh such facts as appear in this case, and the judgment of a competent master upon them, ought to be very clear. (*The Clematis*, *Brown's Adm. Rep.*, 499, 502; *The John H. Pearson*, 14 *Fed. Rep.*, 749, 752.)

As the vessel was forced south by stress of weather, and did not pass to the north of the Western Islands, it was her duty, in view of the time already consumed, when she reached the westerly longitude of the Islands, and of the perishable nature of the cargo, to make all speed to reach her destination on a direct line, and not to first work up, if she could, to the northerly latitude of the Islands. The charter-party did not require that, and good sense and good faith forbade it.

There was no breach of the charter-party, and the whole charter money was earned.

RICHARD T. TUTTLE AND OTHERS

vs.

ISAIAH S. MATTHEWS. IN EQUITY.

An injunction will not be granted on the motion of a defendant in a suit in equity for the infringement of letters patent, to restrain the plaintiff from interfering with purchasers from the defendant of infringing articles made by him, by threatening to sue such purchasers for using the articles.

(Before COXE, J., Northern District of New York, July 6th, 1886.)

COXE, J. The complainants are the owners, for the State of New York, of re-issued letters patent No. 9,148, dated April 13th, 1880, issued to David L. Garver, for an improvement in harrows. An interlocutory decree was entered on the 18th of May, 1886, and the complainants proceeded to an accounting. While the hearing was pending before the master, the defendant ascertained that the complainants' agents, by means of threatened litigation, had collected, or were attempting to collect, money from the users of the infringing harrows, for which defendant has accounted in this action. No final decree has been entered and nothing has been paid by the defendant to the complainants. The Court is now asked to grant an injunction restraining the complainants and their agents from interfering with the defendant's customers in the use of the harrows sold to them by him.

The owner of a valid patent secures by virtue thereof three substantive rights—the right to make, the right to sell, and the right to use the patented article. He who invades any one of these rights is an infringer. (*Birdsell v. Shaliol*, 112 *U. S.*, 485.) The chief value of many patented machines is in their use. If a recovery against a manufacturer dedicates the machine to the public, so that it can thereafter be used by all with impunity, the “exclusive right” of the

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patentee does not exclude the most dangerous trespasser upon his property. As the complainants are at liberty to sue the wrongdoer, whether he be a manufacturer, seller or user, they have a right to inform him in advance of their intention so to do, and, if he prefers to agree with his adversary, *in limine*, it is not easy to see how the Court can interfere.

In this case, as in similar cases, where the infringers are often innocent of any wrong and ignorant of the provisions of the law, it is not unlikely that the agents employed by the complainants act without discretion and, at times, oppressively. If they exact money illegally, the complainants, who are, it is said, amply responsible, can be compelled to make restitution. The Court, however, can hardly be expected to dictate a form of words for the use of these agents, or to formulate rules to regulate their conduct. Until equity has jurisdiction to enforce the precepts of the decalogue, the visit of the "patent right man" will not be anticipated with emotions of pleasure alone. Though there may be individual cases of hardship disclosed by these papers, it must be remembered that it is but natural that the complainants, after years of severe and arduous litigation, should be tenacious in the maintenance of their rights, and active in seeing that they are no longer invaded. I can see no just ground for interference.

Motion denied.

J. R. Bennett, for the motion.

C. H. Duell, opposed.

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R. B. WIGTON

vs.

A. O. BRAINERD AND OTHERS. IN EQUITY.

A docket fee of \$20 is not taxable in favor of a defendant in a suit in equity which is dismissed for want of prosecution.

(Before WHEELER, J., Vermont, July 8th, 1886.)

WHEELER, J. This suit was dismissed with costs for want of prosecution. The defendants claim a docket fee of \$20, as a part of the costs to be taxed, which the clerk has disallowed. This whole subject is carefully examined, and all the cases up to that time bearing upon it are reviewed by Mr. Justice Blatchford, in *Wooster v. Handy*, (23 *Blatchf. C. C. R.*, 112.) The conclusion is there reached that this docket fee in such cases is not taxable. That case is controlling here, notwithstanding the different views expressed by Judge Hammond in *Partee v. Thomas*, (27 *Fed. Rep.*, 429.)

Taxation of clerk affirmed.

Noble & Smith, for the defendants.

GEORGE W. LA RUE

vs.

THE WESTERN ELECTRIC COMPANY. IN EQUITY.

Claim 3 of letters patent No. 270,767, granted to Edgar A. Edwards, January 16th, 1883, for an "improvement in telegraph transmitters," namely, "3. The combination, in a telegraph key, of the lever fulcrumed upon the torsional

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spring, with the adjusting springs H, H', for regulating the amplitude of the lever movement and the retractile resistance of the torsion-spring, substantially as described," is valid.

That claim is infringed by the use of the combination in a sounder, at the receiving end of the line, although a retractile spring is added.

The language of the specification immediately preceding the claim extends its scope beyond the use of the combination in a telegraph key, and to its use in a sounder.

(Before BROWN, J., Southern District of New York, July 10th, 1886.)

BROWN, J. The complainant moves, upon the bill and affidavits, for a preliminary injunction, to restrain the defendants from an alleged infringement of patent No. 270,767, dated January 16th, 1883, issued to Edgar A. Edwards, under whom the plaintiff claims, for an "improvement in telegraph transmitters."

The defendant sets up, first, want of novelty; and, second, that the defendant's instrument is not within the scope of the patent, as shown by the "claim."

The application in the Edwards patent states as follows: "My invention relates to telegraph keys, or instruments used for transmitting telegraphic signals, and is an improvement on the well known Morse key, being in substituting for the trunnions or pivots upon which the lever vibrates, a torsional spring or strip of metal."

The instrument figured and described in the patent is the key used for sending telegraphic messages. The defendant's instrument, which is alleged to be an infringement, is a "sounder," used at the other end of the circuit, to make the message known through the ear of the operator there. The former is worked by the finger of the operator, in pressing one end of the key downward; as soon as the pressure is removed, the torsional spring again raises that end of the lever; and the current is thus opened and shut. In the "sounder," the lever is worked by the attractive force of a small electro-magnet, exerted upon an armature attached to and crossing the under side of the lever at right angles, and serving to draw it down whenever the current is in motion.

This downward movement causes the metallic point near the end of the lever to strike against the stop below it, and to make the tick, or sound, that gives this instrument its name. As soon as the current is interrupted, the torsional spring, in the defendant's instrument, aided also by a retractile spring, operates to raise the lever, as in the key worked by the finger, without the additional spring. The sounder's lever thus raised strikes the upper stop, and, by these two motions, the sounds are made that are equivalent to the dashes and spaces in the written strip, and indicate the message to the expert operator, without the use of writing. As the bar of the sounder is heavier, and does not project beyond the fulcrum, the torsional spring used in the sounder is aided by a small coil attached to the lever, which works as a retractile spring, the same as previously used in the key and sounder. In the key in the Edwards combination, this coil is dispensed with.

The use of a torsional spring, by means of a flat strip of metal secured at both ends, is not, indeed, wholly new. It appears to have been devised for use in certain parts of clock-work, some fifteen years ago; but to what extent actually used does not appear. It is not shown, however, to have been previously applied in the manner designed in this patent; nor in combination with a lever, or bar, fulcrumed upon the metallic strip, and designed to serve at once as a torsional spring, and as a substitute for the use of pivots or trunnions, "with or without retractile springs." It is this combination that is patented. It is evidently useful, economical, and valuable. As a combination it was new; and, in my judgment, the patent is valid.

An inspection of the "sounder" in question leaves no doubt that it embodies the Edwards invention; nor that it appropriates his combination, and the whole of it. The bar of the defendant's sounder is a lever, which is fulcrumed upon a metallic strip, constructed, shaped and adjusted in precisely the same manner, and performs precisely the same mechanical functions that the patented combination

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performs in the key. It is the identical Edwards combination. The retractile spring used in the sounder is immaterial, since that is merely used in addition to the torsional spring, and the patent expressly states that the combination may be used "with or without retractile springs." The Edwards combination is used, as I have said, in its entirety; and the sounder is, therefore, an infringement, unless the scope of the Edwards patent is so much narrower than his invention, as to cover his combination only when it is used in the manual key at the end of the circuit from which the current is sent, and not when it is used in the sounder at the other end of the circuit, where the message is received. The determination of this question depends upon the construction that should be given to the language of the patent, and particularly to the claim.

In the application for the patent, the inventor, after describing the diagrams, the uses, and the advantages of the invention, proceeds as follows: "I do not limit myself to the application of torsional springs to telegraph keys alone, as it is obvious the torsional strip or spring may be applied to other electrical instruments. Thus, it may replace the pivots or trunnions of the relay and sounder. I claim, 1. In a telegraph key, the combination, with the circuit-breaking lever, of a torsional spring upon which said lever is fulcrumed, substantially as described. * * * 3. The combination, in a telegraph key, of the lever fulcrumed upon the torsional spring, with the adjusting screws, H, H¹, for regulating the amplitude of the lever movement, and the retractile resistance of the torsion-spring, substantially as described." Items 2 and 4 in the claim are not materially different, as respects this controversy, from the first item in the claim. In each of the four specifications above quoted the combination is stated to be "in a telegraph key." In all, except the third item, the language is, "in a telegraph key, the combination, with the circuit-breaking lever, of a torsional spring," &c., &c. As the patent is for a combination, and as the "sounder" has no "circuit-breaking lever," the defendant's instrument

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does not make use of that element of the combination; and, therefore, by numerous decisions, it is not an infringement of the patent, so far as the patent rests upon the first, second and fourth specifications of the claim. (*Fay v. Cor-desman*, 109 U. S., 408; *Shepard v. Carrigan*, 116 U. S., 593, 597.)

The third item, however, omits any reference to "a circuit-breaking lever," and claims "the combination, in a telegraph key, of the lever fulcrumed upon the torsional spring, with the adjusting screws, H, H¹," &c., &c. The paragraph immediately preceding the four specifications of the claim, above quoted, expressly states, however, that the inventor does "not limit himself to the application of the torsional spring to telegraph keys alone." "It may replace," he says, "the pivots or trunnions of the relay and sounder." This is the precise application and use of the invention that the defendant is now making.

The defendant insists that the "sounder" is not a "telegraph key;" and that, inasmuch as the patent is for the combination "in a telegraph key," the use of the same combination in a "sounder" is not an infringement. The rule enunciated in the case of *Railroad Co. v. Mellon*, (104 U. S., 112, 118,) is claimed to be applicable, viz., that "the scope of letters patent should be limited to the invention covered by the claim; and, though the claim may be illustrated, it cannot be enlarged, by the language used in other parts of the specification." In that case, however, the thing invented and described was different from the thing claimed to be an infringement; and the Court say: "The claim, so far from covering an angular flange upon the wheel, expressly excludes such a flange, and embraces only a flange with a curved or rounded corner."

In this case, the exact combination invented and described in the claim is appropriated in the defendant's "sounder." Is it to be excluded, as not covered by the patent, merely because, in the four numbered specifications of the claim, the combination is described as existing in a "telegraph key,"

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although the use of the combination in a sounder is clearly intended to be covered by the language of the preceding clause? I think not.

There is nothing in this sounder that is excluded by the third specification, as in the case of *Railroad Co. v. Mellon*, (*supra*.) What is patented under the third specification is not a telegraph key; nor is the key described as any part of the combination. What is patented is simply a "combination of the lever fulcrumed upon a torsional spring with adjusting screws for regulating the amplitude of the lever movement," &c.; although this combination is stated to be "in a telegraph key." The key exhibits the combination patented. It is not the mere use of this combination in a key only that is patented. It is the combination itself, and the combination only, that is the essential thing, and the thing patented; and that combination is used in this sounder.

In the original application the claim was for "a telegraph key," &c. This claim was disallowed at the Patent Office, with the following memorandum: "Descriptive matter not clear; claims are in bad form, being for arrangement of a key lever, instead of a combination of parts or elements." The same clause referring to the relay and sounder was in the original application. From this it is clear that the Patent Office understood the original application to be for an "arrangement of a *key lever*," and declined to grant a patent in that form, because a key lever was not the true thing invented; while it did intend to grant a patent for a certain "combination of parts or elements," *i. e.*, the combination of certain parts or elements that existed in the key referred to; but not the key itself, nor the key as a part of the combination, nor the combination when existing in a key only, nor the mere use of the combination in a key.

The statute (*Rev. Stat.*, § 4,888) requires that the inventor "shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery." Whatever the inventor does clearly point out as his invention, and whatever the application does clearly

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show that the inventor intends to claim as his, should, as it seems to me, be deemed a part of his "claim," when found in immediate connection with the specifications of his claim. There is no arbitrary and formal division of the application into different sections required by law, that demands that language naturally indicative of the inventor's claims and intention shall be excluded from consideration as a part of the claim under the statute, simply because it is not found in a particular part of the application, or because it does not follow the words, "I claim;" nor is it necessary to use the word "claim." Any language that does clearly and unmistakably indicate that the inventor intends to secure to himself the benefit of a certain use of his invention, when the expression is used in immediate connection with the words "I claim," though preceding those words, ought, as it seems to me, to be as much regarded as a part of his "claim," in the statutory sense, as the words that follow; because the clear intent, both of the statute and of the inventor, would otherwise be thwarted. Any perfectly clear expression of what the inventor intends to secure to himself in immediate connection with the claim, is virtually a part of the "claim." The reasons for confining the patent to the "claim," viz., because the inventor is presumed to intend to dedicate to the public so much of his invention as he does *not* claim, and because the Patent Office is presumed to intend to grant the patent for only what *is* claimed, have no application to such a case.

It is impossible, as it seems to me, to read the inventor's language in this application without perceiving that he intends to secure to himself the benefit of his invention when used in a relay or sounder, as much as when used in a technical "key." No one could imagine, from the language of the application, that the inventor intended to abandon to the public the use of his invention in the sounder. He states expressly that he "does *not* limit himself to the application of torsional springs to telegraph keys alone, as it is obvious the torsional strip or spring may be applied to *other* electrical instruments. Thus, it may replace the pivots and trunnions of

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the relay or *sounder*." If this clause had followed the four items specifying his "claim," no one would have seriously contended that it was not a part of the "claim," and applicable to a sounder. This clause immediately precedes the words "I claim," and shows conclusively what is intended to be included in the claim and the patent. I see no good reason for any different construction, simply because this clause precedes those items, instead of following them. The intent is equally clear in either case; and in either the clause should, therefore, be regarded as a part of the claim, and as explaining its meaning, application and extent. This part of the claim stands precisely as it was in the original application. No objection was taken to it in the Patent Office. There is no reason, therefore, to suppose that a more limited patent was intended by that Office, since the inventor's intent is perfectly clear.

Again, in the third specification of the claim, the element of a "circuit-breaking lever" is omitted. In a key, strictly so called, the lever is always a circuit-breaking lever. The insertion of this 3d item, in which that element is omitted, indicates clearly, therefore, that the 3d item was intended to extend the claim beyond "circuit-breaking levers," *i. e.*, beyond the particular kind of key used for sending off the message, and to apply the claim to other levers, whenever they made use of this combination; and the preceding clause clearly specifies what those other levers might be, *viz.*, sounders, relays, &c.

The sounder, although not a "key" in technical strictness, works in the same way; and, in a general sense, it operates as a key for the delivery of the message to the operator who listens to it; just as the instrument at the other end operates as a key in sending the message forward. Both instruments are equally "telegraphic transmitters," which are described as the subjects of the invention, the sounder being the last instrument used in the transmission of the message.

The fact that the machine in which a patented combination is used is a different machine from that in which the combination was first described, is not a valid defence in a suit

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for infringement, where the combination patented is only a part of the machine described. This is illustrated by the case of *Rowell v. Lindsay*, (113 U. S., 97,) where the combination patented was for "an improvement in a cultivator," and the infringement alleged was in "a sowing machine." Had the difference in the machine been deemed material, that would have sufficed to dispose of the case. That, however, was evidently not the view of the Court. Instead of that, a laborious consideration of the mechanical equivalency of one of the elements used was entered into, and furnished the ground on which the case was decided.

The case of *Zinn v. Weiss*, (7 Fed. Rep., 914,) seems to be analogous to the present, though that case was less strong for the inventor. There the invention described was of a metallic plate to be used as a fastener. The language of the "claim" was for an "improved clothes-fastening attachment," &c., while the defendant used the same fastening attachment for a pocket-book. The same point here taken was raised there; and it was held to be a case of infringement. (See, also, *Reed v. Chase*, 25 Fed. Rep., 94, 100; *Hobbie v. Smith*, 27 Fed. Rep., 656, 659.)

In *Winans v. Denmead*, (15 How., 330, 342, 343,) the Court say: "It is generally true, when a patentee describes a machine, and then claims it as described, that he is understood to intend to claim, and does by law actually cover, not only the precise forms he has described, but all other forms which embody his invention. * * * Patentees sometimes add to their claims an express declaration, to the effect, that the claim extends to the thing patented, however its form or proportions may be varied. But this is unnecessary. The law so interprets the claim without the addition of these words."

The defendant's instrument in the form of a "telegraph transmitter," called a sounder, appropriates and embodies the invention clearly intended to be secured to the inventor under this patent. Looking at all the language of the application that is designed to set forth the extent of the inventor's patent, and what he intends to secure by it, as constituting

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his "claim," it is clear that the claim includes the combination when used in a sounder. So far as respects the use of this combination, the sounder is the equivalent of the technical key; for the combination operates precisely alike in each. All the merits, as it seems to me, are, therefore, with the complainant; and the injunction moved for should be allowed.

Briesen & Steele, for the plaintiff.

George P. Barton, for the defendant.

THE PACKER.

In this case, a tug towing a canal boat astern, through ice, was held not to be liable for damage caused to the canal boat by the ice.

(Before WALLACE, J., Southern District of New York, July 12th, 1886.)

WALLACE, J. On the 8th day of February, 1883, the tug Packer undertook to tow the libellant's canal boat, the Enterprise, from Elizabethport to Newark, in order to enable the Enterprise to complete a voyage to Newark from Cheesequake creek. The Enterprise had made a towage contract for the whole voyage from Cheesequake creek, with the owners of the line of tugs of which the Packer was one, and under that contract she had been towed by the Mary Ann, another tug of the line, to Elizabethport, on the 9th day of January preceding, when her voyage was interrupted by the ice in Newark bay, and she was left at Elizabethport. The master of the Enterprise became impatient at the delay, and solicited the agent of the owners of the line of tug boats to procure him a tug and proceed to Newark. Although the agent was reluctant to undertake the voyage, fearing danger to the canal

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boat from the ice, he yielded to the solicitations of the master of the *Enterprise*, and directed the *Packer* to undertake the service. The master of the *Enterprise* was an experienced navigator and was fully aware that the attempt involved risk of injury to his boat from the ice, and promised to take the hazard if the master of the tug would obey his directions. It was under these circumstances that the tug undertook the towage service.

The tug lashed the canal boat alongside and started up the channel of the bay. The day was bright and clear, the tide was flood, and no ice upon the bay was in sight when the boat started. The boats proceeded past the bridge of the New Jersey Central Railroad Company, which extends across the bay a short distance from Elizabethport, and kept on in unobstructed water for something over two miles, when ice became visible at the lower part of the dike in the Passaic river. The canal boat was then taken from alongside and fastened by a short hawser to the stern of the tug, and the boats proceeded until they encountered the ice, which extended some distance below the dike. After going a short distance into the ice, they were unable to proceed further, and waited for an hour or two for the tide to turn ebb, in the expectation that the ebb tide would carry the ice from the dike into the bay and open a channel for the passage of the boats. Finally, danger was apprehended from the broken cakes of ice which were passing along the sides of the boat. The canal boat was an old boat, and had already received slight injuries from the broken ice. Her master and the master of the *Packer* both concluded it was unwise to attempt to proceed, and that it was safer to return to Elizabethport. The boats were accordingly turned about; they proceeded on their return until within about half a mile of the bridge, without any obstruction, when it was observed that a large field of ice, upwards of half a mile in breadth and length, had drifted from the west shore of the channel and was obstructing the passage through the channel to the bridge. This ice had drifted off the meadows and was being carried by the ebb tide towards

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the bridge. The boats were obliged to pass through this ice in order to reach the draw at the bridge before the channel at that place should be choked up by the ice. It could not be passed on either side. It was, apparently, a thin sheet of newly formed ice, and proved to be about two inches in thickness. The master of the tug deemed it more prudent to attempt to break through this ice than to wait until it floated down and choked up the channel, and be exposed in the meantime to the danger of floating ice that might be brought upon the boats by the ebb tide from the channel above. He, therefore, entered the ice very slowly and proceeded until the boats got about a couple of hundred feet, when it was found that the ice had cut a hole in the starboard bow of the canal boat. The canal boat was then taken out and beached in shallow water on the meadows. The canal boat was several feet narrower than the tug and at the time of the injury was being towed directly behind the tug, by an eight-foot hawser. Whether she was cut by pieces of broken ice, or by contact with the unbroken ice upon her starboard side, does not appear. The master of the canal boat gave no directions to those in charge of the tug, after the boats started on their return to Elizabethport.

The District Court, (22 *Fed. Rep.*, 668,) decreed against the tug for the damages to the canal boat and her cargo by reason of the injuries thus sustained, upon the ground that the master of the tug should have broken a passage through the ice before entering it with his tow, but adjudged that the loss should be apportioned, because the master of the canal boat concurred in attempting to make Newark from Elizabethport when the navigation was hazardous. Both parties have appealed.

I am unable to concur in the view of the case adopted by the learned Judge of the District Court, and am led to the conclusion that the misfortune should rest on the libellant, as one within the risks assumed by the master of the canal boat when the service of the tug commenced, instead of being one attributable to the negligence of the tug. The tug is not

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to be held responsible in damages for a mere mistake of judgment on the part of those in charge. Neither is she to be absolved from the duty of exercising reasonable care to avoid unnecessary hazard because the master of the tow promised to take the risk of danger from the ice. (*The Syracuse*, 6 *Blatchf. C. C. R.*, 2.) Both contracting parties understood that the towage service was to be performed under circumstances of peculiar peril, in which a mistake of judgment was not improbable, and that the liability of such an error was one of the incidents of the risk. Ordinarily, the burden of proof, in actions for negligent towage, is on the libellant, (*The Princeton*, 3 *Blatchf. C. C. R.*, 54;) but when the case discloses, as it does here, that the towage service miscarried because the immediate peril was encountered which both parties deemed imminent, the presumption of negligence on the part of the tug is materially weakened. Under such circumstances it is not unreasonable to require the party who imputes fault to the other to locate the fault with precision. The libellant has failed to do this in the present case.

The libel itself indicates quite persuasively that the libellant was unable to propound any well defined theory of negligence on the part of the tug. Its allegations are generalities, palpably framed to meet any possible hypothesis of negligence to which the proofs might lend color. The libel asserts, first, that the tug was in fault for her delay in leaving her tow nearly a month at Elizabethport before attempting to proceed; secondly, that she was in fault because, after having attempted to proceed, she ought not to have attempted to turn back with her tow to Elizabethport; and thirdly, that she was in fault "in running libellant's boat, after having turned back, into a large cake or field of ice, which she could have avoided had she stopped or turned to the one side or the other." The proofs are destitute of any support for the first two allegations of fault; and such was the opinion of the District Judge. As to the third allegation of fault, it suffices to say, that it was not found to be true by the District Judge; that the proofs on the part of the libellant to support it are

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extremely vague and weak; and that it is overthrown not only by the evidence of all the witnesses for the claimant, but also by all the probabilities of the case. The tug was accompanied, on the trip, by the agent for the owners; and it is apparent that both he and the master of the tug were extremely solicitous for the safety of the tow, and would have eagerly adopted an opportunity of avoiding the ice. If they were negligent at all, it was because they failed to adopt the precaution which the District Judge was of opinion should have been taken. Ought they to have detached the tow, and broken up the ice with the tug, before attempting to pass through it? It would seem that the libel would have assigned this omission as a fault if the facts of the case had been deemed such as to justify the allegation. The master of the tow, the husband of the libellant, when examined as a witness, was asked to state what fault he thought was committed by the tug. The questions and his answers are these: Question. "What blame do you bring against her; what did she do wrong after she turned around?" Answer. "Towed me too fast." Question. "How did that bring you into trouble?" Answer. "Well, towed us through the ice so fast that it stove a hole in our boat." Question. "Your opinion is that she wouldn't have stove a hole in you if she hadn't towed so fast?" Answer. "Yes, sir." This testimony indicates sufficiently that the master of the canal boat did not suppose the ice to be so thick as to endanger his boat if reasonable care had been exercised in going through it. His complaint is that he was towed too fast; but the proofs are satisfactory that the tug was proceeding slowly, under one bell. No expert has testified that prudent navigation required the tug to break the ice in advance. As has been already stated, the proofs leave it in doubt whether the injury to the boat was not caused by the broken pieces of ice made by the tug. It is certainly purely a matter of conjecture, whether, if the ice had been broken up by the tug, the tow could have been safely carried through it. Those in charge of the tug doubtless assumed that the ice was not so thick as to unnecessarily

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endanger the tow, if she was slowly and carefully towed. They probably supposed that she would be protected by the greater width of the tug, and that, when attached by so short a hawser, although she could not be held entirely steady, but would be likely to swing somewhat to either side of the tug, she could be carried through with no greater hazard than was to be apprehended, under any circumstances, to a tow of her age and weakness. This was the judgment of experienced navigators, formed on the spot, and in view of all the surrounding circumstances. It is significant that the master of the tow did not dissent, or offer any suggestion of precautionary measures, if he did not approve of the attempt. The fact would seem to be, that all concerned acted upon their best judgment at the time, knowing that there was danger whatever course they might adopt, but deeming it wiser, upon the whole, to proceed in the manner they did than to take the chances which a delay might engender. It may be, that if the ice had been broken by the tug before she entered it with her tow, the latter might have escaped injury. But the tug is not to be held liable upon conjecture, nor is negligence to be imputed to those in charge merely because it appears, after the event, that the accident might not have happened if something had been done which was omitted. The question is, whether they did all that other prudent and intelligent men would have ordinarily deemed it necessary to do under the same circumstances. Upon the proof, this question should be answered in the affirmative.

The libel is dismissed, with costs of this Court and of the District Court.

Josiah A. Hyland, for the libellant.

Edward D. McCarthy, for the claimant.

Bishop v. Romaine.

ELLEN L. BISHOP, AS ADMINISTRATRIX, AND CHARLES E. DEXTER, AS ADMINISTRATOR, OF WILLIAM B. BISHOP, DECEASED,

vs.

JOHN ROMAINE. IN EQUITY.

The first claim of letters patent No. 109,577, granted to William B. Bishop, November 29th, 1870, for an improvement in machines for soldering can-caps, namely, "1. The ring or cup-shaped soldering tool, G, for soldering the caps upon cans, substantially as herein shown and described," is not infringed by the use of a hand soldering tool which is concave and has a ring-shaped edge.

(Before BLATCHFORD, J., Eastern District of New York, July 12th, 1886.)

BLATCHFORD, J. This suit is brought for the infringement of letters patent No. 109,577, granted to William B. Bishop, November 29th, 1870, for an improvement in machines for soldering can-caps. The specification and drawings of the patent are as follows :

"To all whom it may concern :

Be it known that I, William B. Bishop, of Brooklyn, in the county of Kings and State of New York, have invented a new and useful improvement in machines for soldering can-caps ; and I do hereby declare that the following is a full, clear, and exact description thereof, which will enable others skilled in the art to make and use the same, reference being had to the accompanying drawings, forming part of this specification, in which—

Figure 1 is a side view of my improved machine, partly in section, to show the construction. Figure 2 is a horizontal section of the same, taken through the line $\alpha \alpha$, Fig. 1.

Similar letters of reference indicate corresponding parts.

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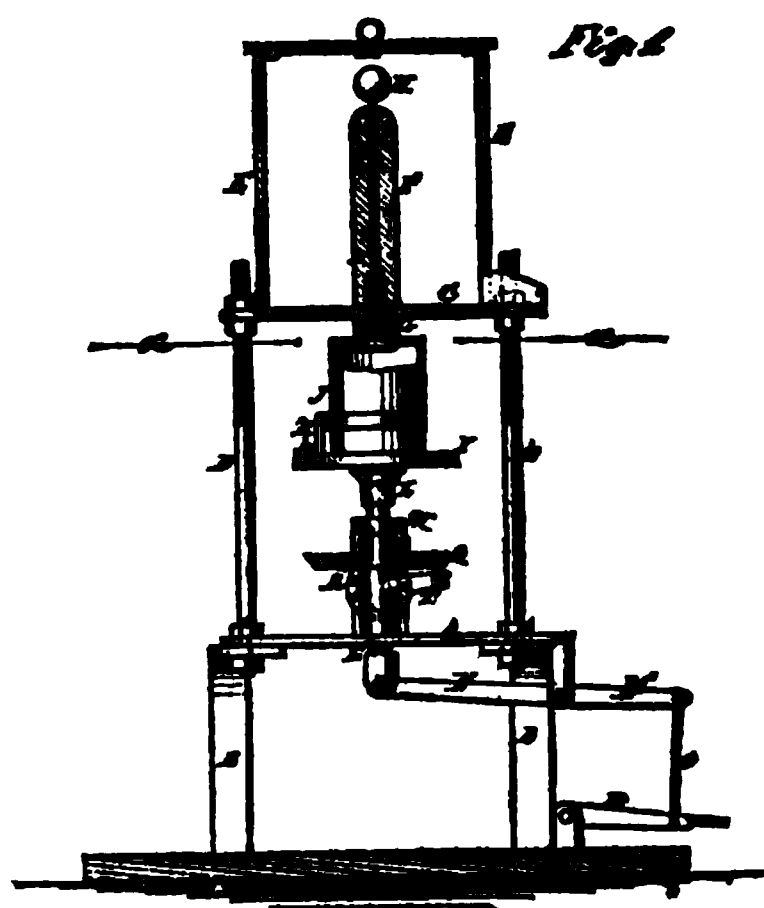
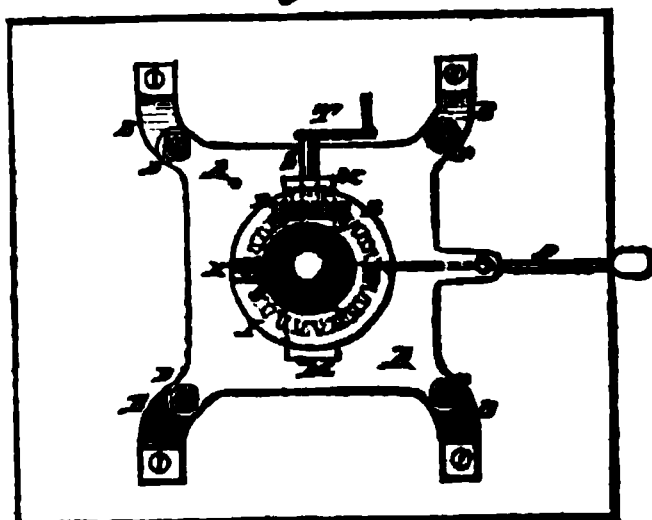


Fig. 2



My invention has for its object to furnish a simple, convenient, and effective machine for soldering caps upon sheet-metal cans; and it consists in the construction and combination of various parts of the machine, as hereinafter more fully described.

A is the lower platform of the machine, which is securely attached to and supported by legs B, of such a length as to raise the machine to a convenient height.

C is the upper platform, which is connected to the platform A and supported by the rods D, which have screw-threads cut upon one or both ends to receive nuts, which are screwed upon the said rods, one above and one below each platform, as shown in Fig. 1. This construction enables the

two platforms to be adjusted at a greater or less distance apart, according to the height of the cans to be soldered.

E is the furnace, in which the fire is formed to heat the soldering-tool, and which is provided with a detachable cover, and with openings to admit the air to support combustion and for the escape of the smoke and other products of combustion.

F is the heater, which is a bar of cast-iron or other suitable material, placed vertically in the centre of the furnace E, with its lower end resting upon the centre of the platform C. The heater F is connected with the soldering-iron G by a screw, which passes through a hole in the centre of the platform C, and which is formed upon either the heater F or soldering-tool G, and screws into the other of said parts, so that the soldering-tool G may be kept hot by heat conducted to it from the heater F. The soldering-tool G may be made of copper, wrought-iron, cast-iron, or other suitable material, and its face is concaved, to receive the cap to be soldered, and to give a ring-shape to its edge that comes in contact with the solder around the edge of the cap. The cap is held in place upon the can while being soldered by the rod H, which passes down through the heater F and soldering-tool G, so that its lower end rests upon the said cap. The upper end of the rod H is weighted, to enable it to hold the cap securely in place while being soldered.

I is the table, upon which the can is set to be operated upon, where it is secured in place by the bar J, which is curved to receive the can between its arms, where it is held by the elasticity of the said arms, the ends of said arms being curved outward slightly to allow the can to be conveniently forced into place between them. The middle part of the elastic or spring bar J is attached to the upper end of the support K, the lower end of which is secured to the table I, near one edge, by a screw, which passes through a slot in the lower end of the said support K, and screws into the said table I, as shown in Figs. 1 and 2, so that the position of the said bar J may be adjusted according to the size of the can.

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The table I is made circular in form, and is securely attached to the upper end of the vertical shaft L, which passes down through and revolves in the lower platform, A, and in a support, M, attached to said platform A in such a way that the said shaft may have a vertical movement through its bearings. The lower end of the shaft L rests and revolves in a step pivoted to the end of the lever N, which is pivoted to a support attached to the platform A, and to the outer end of which is pivoted the upper end of the connecting-rod O, the lower end of which is pivoted to the treadle P, the inner end of which is pivoted to the floor, or to some suitable support, and the outer end of which projects into such a position that it may be conveniently reached and operated by the operator with his foot to raise the can to the soldering-tool.

To the shaft L is attached a bevel-gear wheel Q, the teeth of which mesh into the teeth of the bevel-gear wheel R, attached to the shaft S, which revolves in bearings attached to the platform A, and to the end of which is attached a crank T, by means of which the vertical shaft L is revolved, the wheel Q being connected with the shaft L in such a way as to carry the said shaft L with it in its revolution, while allowing the shaft to have a free vertical movement.

If desired, several sets of tables and soldering-tools may be connected with the same crank-shaft, so that a number of can-caps may be soldered at the same operation.

Having thus described my invention, I claim as new and desire to secure by letters patent—

1. The ring or cup-shaped soldering-tool G for soldering the caps upon cans, substantially as herein shown and described.

2. The revolving table I, having also a vertical movement, in combination with the ring or cup-shaped soldering-tool G, substantially as herein shown and described, and for the purpose set forth.

3. The combination of the adjustable elastic holder J K with the revolving table I, substantially as herein shown and described, and for the purpose set forth.

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4. An improved machine for soldering can-caps, formed by the combination of the platform A, feet B, adjustable platform C, adjusting and supporting rods D, furnace E, heater F, ring or cup-shaped soldering-tool G, weighted holding-rod H, table I, adjustable holder J K, shaft L, lever N, treadle P, gear-wheels Q and R, shaft S, and crank T, with each other, substantially as herein shown and described, and for the purpose set forth."

It is not contended that any claim but the first has been infringed.

An examination of the specification shows that Bishop did not understand that he had invented, or sought to claim, anything but a machine, or parts of a machine to be operated in it with the mode of operation set forth. He says that his invention has for its object to furnish "a machine," and that "it consists in the construction and combination of various parts of the machine, as hereinafter more fully described." A furnace, in which to make a fire, surrounds a longitudinal vertical hollow metallic heater, F, which is heated by the fire and communicates its heat, by conduction, to the soldering-iron or tool, G, which is also of metal, and has a concave face, into which the cap to be soldered fits. The cap is held in place, while being soldered, by a rod, H, which passes down through the heater F, and the soldering-tool G, and rests, at its lower end, on the cap, its upper end being weighted. The soldering-tool is stationary, and does not rotate or revolve. But the can is set on a table below, which is arranged to lift it for the operation and then lower it again, the table being circular, and set on the upper end of a vertical shaft, which revolves horizontally and carries the can around in contact, at its top, with the lower end of the tool.

There is no suggestion, in the specification, of the use of the soldering-tool G as an independent movable hand tool, to be used apart from the machine, and apart from a revolving can. Moreover, the "ring or cup-shaped soldering-tool G," as defined by the terms of the specification and claims,

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is confined to the part lettered G, and does not include the heater F, or the rod H, or any of the other parts specified in the fourth claim. The first claim, therefore, in claiming "the ring or cup-shaped soldering tool G, for soldering the caps upon cans, substantially as herein shown and described," claims only the cup-shaped or concave part which is at the lower end of the heater F, and wholly below the platform C, and claims it only as a tool in the machine, of the special form defined, and fixed with reference to a revolving can.

The defendant has no machine. His entire apparatus is a hand-tool, the part of which corresponding to the metallic heater F is of wood, and the apparatus is moved and rotated by the hand to do the soldering. Although the part of the apparatus which corresponds to the part G, of Bishop, is concave and its edge has a ring shape, yet hand soldering tools with the part corresponding to G "ring or cup-shaped" existed in the prior English patents to Carson and Forbes and Hebert. Hence, the part G, claimed in the first claim, must be limited to that part arranged to work in the machine in the manner described in the specification, and the claim is not infringed by the defendant.

The bill is dismissed, with costs.

Ernest C. Webb, for the plaintiffs.

David A. Burr, for the defendant.

ALEXANDER CLARK vs. JAMES G. WILSON. IN EQUITY.

Under § 25 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 201,) now § 4,887 of the Revised Statutes, by which a United States patent expires at the same time with a foreign patent previously granted for the same inven-

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tion, the inventions are the same, although there is added in the later patent an incident to the principal invention, which is not a substantial invention by itself.

(Before WHEELER, J., Southern District of New York, July 18th, 1886.)

WHEELER, J. The plaintiff's patent, No. 137,595, dated April 8th, 1873, is for an improvement in corrugated metallic rolling shutters, to deaden or prevent noise in raising or lowering them, by applying to them strips of soft or pliant material, fastened, when applied in the width, to the top of the shutter at one end, and to the bottom at the other, and also at any intermediate points, as required, so as to coil up with the shutter and form a cushion between the coils. It was preceded by an English patent, No. 1,322, dated May 2d, 1872, which would run 14 years from that date, and which described the same devices, except as to fastening the strips of soft or pliant material at intermediate points, as required. The claims of the two patents are the same, so far as they are now in question, and are each for the application to corrugated metal shutters of one or more strips or lengths of soft and pliant material, disposed in such manner as to act as a cushion between the coils of the shutter, substantially as and for the purpose described. The patent was granted under the Act of July 8th, 1870, by section 25 of which, if the invention or discovery is patented in a foreign country, the patent in this country is to expire at the same time with the foreign patent. (16 *U. S. Stat. at Large*, 201; *Rev. Stat.*, § 4,887.) The question, on this provision of the statutes, is, whether the invention patented in this patent is the same as that patented in the English patent. The only thing added is the fastening of the strips, before fastened at the ends, at such intermediate points as should be required. This was such an obvious thing to do, to avoid their rucking up, which the inventor testifies would prevent the operation of the device, as not to appear to amount to any real invention by itself. The substance of the invention consisted in providing the strips to be coiled in between the corrugations of the shutter, and,

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when these had been contrived with fastenings at each end, such further intermediate fastenings as might be required would come from the skill of the mechanic rather than from the genius of the inventor. This was a mere incident to the principal invention, instead of being any substantial invention by itself, and appears to have been so understood by the inventor, from the alternative manner in which he mentioned it in the specification, and the identity of the claims. And, if these fastenings had been made a material element in the device of the American patent, it would narrow the patent, and bring it within the scope of the English patent, instead of making it for a different invention. What would infringe the American patent would infringe the English patent, and what would infringe that was made free to the public by the expiration of that and the corresponding American patent.

These considerations make it unnecessary to consider the effect of the certificate of addition to the French patent, which preceded the American patent, and expired, according to the provisions of the French law, at the same time as the prior English patent.

As the patent expired before this motion for a preliminary injunction was made, the motion must be denied.

Motion denied.

Andrew J. Todd, for the plaintiff.

Francis Forbes, for the defendant.

THE FRISIA AND THE JOHN N. PARKER.

A steamer collided with a bark towed by a tug on a hawser. The courses of the steamer and the tug were crossing, and involved risk of collision, and the tug had the steamer on her own starboard side. The tug attempted to cross

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ahead of the steamer, and, although she received no response to signals by her steam-whistle, she kept on and did not stop or reverse. The steamer ported, and did not starboard, when it was plainly seen by those in charge of her, that the tug and the bark were crossing her course, so as to involve risk of collision; and she did not soon enough stop and reverse: *Held*, that both the steamer and the tug were in fault.

A decree was made against the steamer and the tug, and their respective stipulators severally, each for one-half of the entire damages to the bark, and of the proper interest thereon, and of the costs of the libellants in the District and Circuit Courts, so far as the stipulated value of the vessel should extend; any balance of such one-half, over and above such stipulated value of either vessel, or which the libellants should be unable to collect or enforce, to be paid by the other vessel or her stipulators, to the extent of the stipulated value thereof beyond the moiety due from said vessel.

The District Court having dismissed the libel as to the steamer, and awarded damages against the tug, in the ascertainment of which the claimant of the steamer took no part, this Court ordered a new reference as to damages, to be conducted on notice to all three of the parties.

(Before BLATCHFORD, J., Eastern District of New York, July 15th, 1886.)

THIS was a libel *in rem*, filed in the District Court by James Kitchin and others, owners of the bark James L. Harway, against the steamship Frisia and the steam tug boat John N. Parker, to recover damages for injuries to the bark caused by a collision between her and the Frisia, while she was being towed by the tug. The District Court decreed against the tug and dismissed the libel as to the Frisia. (24 *Fed. Rep.*, 498.) The libellants appealed to this Court, which found the following facts:

“1. On June 17th, 1882, James R. Kitchin, Dickson Anderson and Robert McDonald were the owners of the bark James L. Harway, her tackle, apparel, &c. The bark was a British vessel, hailing from Pictou, Nova Scotia, built in August, 1880, of 958 tons register, 170 feet keel, 38 feet beam and 21 feet depth of hold, and was in first class condition.

2. On that day she was lying at Merchant's Stores, Brooklyn, in ballast, ready for sea. At 12 o'clock noon she was taken in tow by the steam tug John N. Parker, to be towed to an anchorage south of Bedlow's Island, in the harbor of New York.

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3. The tug was about 75 feet long and was in the business of towing vessels about the harbor of New York. After towing the bark out clear of the stores at Redhook, she went ahead of the bark, and took her in tow, as customary, on a hawser of 60 fathoms in length, which was fastened at the stern of the tug and led to the bitts on the topgallant fore-castle of the bark, where it was made fast. The tug then proceeded with the bark directly across the Bay, in a west-northwest direction by compass, towards her anchorage on the southerly side of Bedlow's Island.

4. The wind at the time was blowing a light breeze from the southeast, the tide was running ebb at the rate of about 3 knots an hour, in a southerly direction, the weather was fine and clear, and the sun was shining brightly.

5. The bark had no sail set, and was without propelling power of her own, and was under the sole management, control and direction of the tug. An able seaman was stationed at the wheel of the bark, as she left the wharf, and was ordered to steer her directly after the tug. He remained at the wheel until after the collision. He steered the bark right after the tug. By his compass his course was west-northwest. The first officer stationed himself on the topgallant fore-castle of the bark, when the tug started to tow, and remained there-on up to the time of the collision. The rest of the officers and crew, except the captain, who was on shore, were about the deck, attending to their respective duties.

6. The tug was in charge of her captain and pilot, who was an experienced man in navigation, and had a competent and sufficient lookout, and a competent engineer in charge of her engine. The whole length of the tug and tow, with the 60 fathom hawser, was about 605 feet.

7. The Frisia was an ocean steamer, of 3,000 tons, schooner rigged, belonging to the Hamburg American Packet Company, and was employed regularly in their line between New York and Hamburg, carrying freight and passengers. She was 312 feet in length, was built of iron, and had a very sharp bow. She had a screw which turned to the right, and, when

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her engines were reversed from full speed ahead to full speed astern, her head turned to starboard, so long as she was making headway, whether her rudder was amidships, or she was under a starboard helm or under a port helm. With her rudder amidships, her head would fall off to starboard 2 points in the time between such reversing of her engines from full speed ahead to full speed astern, and the moment at which she ceased to make headway. Under a port helm, or under a starboard helm, her head would fall off to starboard $1\frac{1}{2}$ points in the same time. Under normal conditions of wind and tide about 2 minutes would elapse between the reversing of her engines at full speed and the moment at which she ceased to make headway. Her full speed was 13 knots an hour.

8. About 15 minutes past 12 she left her dock at Hoboken, bound on a voyage to Hamburg, Germany, carrying passengers and cargo. Her navigation was in charge of a Sandy Hook pilot, who, from the time of leaving the dock until after the collision hereinafter mentioned, remained on her bridge. The bridge was more than 160 feet abaft her stem, and was 12 feet above her deck. Her master and her chief officer were also on the bridge, the master standing on the port side, at the telegraph to the engine room, and the chief officer on the starboard side, at the telegraph to the wheel. The pilot gave the orders for her navigation. She backed out into the stream, and then took her course down the river along the western edge of the channel, which was her proper course.

9. After the tug and the bark had passed out to the southward and westward of the Black Buoy No. 1, situated southwest of Governor's Island, those on the tug and the bark saw the steamer Frisia coming down the river, upwards of a mile away, at a high rate of speed. There were at that time proceeding down the Bay, between the steamer and Governor's Island, the steamboat Matteawan, bound from pier 1, East river, to Bay Ridge; the steamboat Castleton, bound from the foot of Whitehall street to Staten Island; the tug boat Peter Smith, with a canal boat in tow, bound from Hoboken

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to Gowanus Creek; and the tug boat Joseph Stickney, bound from Jersey City to Redhook. Going up the Bay was a large Inman steamer, which crossed the tug's bows and passed the Frisia on her port hand.

10. The pilot of the tug, after seeing the Frisia, gave a signal of two short and distinct blasts of his steam-whistle, to indicate to the Frisia that the course of the tug and the bark was to the westward, across the course of the Frisia, but the latter made no reply. The tug thereupon repeated her signal of two short and distinct blasts of her steam-whistle, but the Frisia gave no reply thereto, and thereupon the tug, for the third time, gave a signal of two short and distinct blasts of her steam-whistle. The reason why the pilot of the tug gave the above signals was, that he thought that, by keeping on, he would cross with the bark in safety before the Frisia would reach the course of the bark, and therefore he kept on. No whistle from the tug was heard by any one on board of the Frisia. After the tug had opened the starboard side of the Frisia, those on the tug heard two whistles blown from on board of the Frisia. These were the first whistles heard from the Frisia by those on the tug and before that the Frisia had not blown any whistle.

11. The course of the tug and the bark was not changed, and their speed was about 6 miles an hour until just prior to the collision, when the speed of the tug was increased to her full power, to avoid a collision. The Frisia, with her stem, struck the bark a blow on her starboard side, between the two after shrouds of the starboard main rigging, about 50 or 60 feet forward of the stern of the bark, which cut into the bark's side to within a few feet of her keel, and the stem of the Frisia was thereby so firmly wedged into the side of the bark, that she could not back out, or free herself from the bark until 5 steam tugs had pulled the bark away from her, which was done. The water then began to pour rapidly into the side of the bark, and the tugs towed her to the Redhook flats, where she sank immediately, with everything on board.

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The time of the collision was shortly after half-past 12 o'clock; the place southeast by south from Bedlow's Island.

12. The distance from the Frisia's dock at Hoboken to the place of collision is $3\frac{1}{4}$ miles. The Frisia backed out from her dock at 12.15 P. M. She rounded to and started down the river at full speed at 12.22 P. M. She stopped her engines and reversed them at 12.35 P. M., but too late to overcome her headway before she struck the bark. She was running at full speed ahead with the tide up to the time she reversed.

13. The course of the Frisia was south-southwest. Her pilot and her first officer, on the bridge, saw the tug and the bark, on the port bow of the Frisia, from one-half to three-quarters of a mile away, and saw that they were bound to the westward, across the course of the Frisia. When they saw that the tug was taking no measures to avoid the Frisia, and was determined to cross her course, the pilot ordered the first officer to blow one blast of the steam whistle, and one short blast was then blown, and the helm of the Frisia was ported, and she continued on at full speed. This whistle was not answered by those on the tug. After an interval the Frisia blew another blast of her steam-whistle, and about the same time the pilot of the Frisia gave orders to put the wheel amidships, stop the engines, and reverse full speed astern, but, before the headway of the Frisia was overcome, she struck the bark.

14. The following rules and regulations, among others, for the government of pilots of steam vessels, as revised, amended and adopted by the Board of Supervising Inspectors, as authorized by the Act of Congress 'to provide for the better security of life on board of vessels propelled in whole or in part by steam, and for other purposes,' were in force at the place of this collision, and applicable to the proper navigation of these steam vessels, at the time of this collision, viz. :

'Rule I. When steamers are approaching each other 'head and head,' or nearly so, it shall be the duty of each steamer, to pass to the right, or port side of the other; and the pilot

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of either steamer may be first in determining to pursue this course, and thereupon shall give, as a signal of his intention, one short and distinct blast of his steam-whistle, which the pilot of the other steamer shall answer promptly by a similar blast of his steam-whistle, and thereupon such steamers shall pass to the right, or port side of each other. But if the course of such steamers is so far on the starboard of each other as not to be considered by pilots as meeting 'head and head,' or nearly so, the pilot so first deciding shall immediately give two short and distinct blasts of his steam-whistle, which the pilot of the other steamer shall answer promptly by two similar blasts of his steam-whistle, and they shall pass to the left, or on the starboard side, of each other.'

'Rule III. If, when steamers are approaching each other, the pilot of either vessel fails to understand the course or intention of the other, whether from signals being given or answered erroneously, or from other causes, the pilot so in doubt shall immediately signify the same by giving several short and rapid blasts of his steam-whistle; and if the vessels shall have approached within half a mile of each other, both shall be immediately slowed to a speed barely sufficient for steerage-way until the proper signals are given, answered, and understood, or until the vessels shall have passed each other.'

'Rule VI. The signals, by the blowing of the steam-whistle, shall be given and answered by pilots, not only when meeting 'head and head,' or nearly so, but at all times when passing or meeting at a distance within half a mile of each other, and whether passing to the starboard or port.'

'N. B. The foregoing Rules are to be complied with in all cases except when steamers are navigating in a crowded channel, or in the vicinity of wharves; under such circumstances steamers must be run and managed with great caution, sounding the whistle, as may be necessary, to guard against collision or other accidents.'

15. The libellants, as between themselves and the tug, sustained, by the collision, damages in the sum of \$35,844.40,

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as reported by the Commissioner, with interest on \$28,274.09, from August 1st, 1882."

On the foregoing facts, the Circuit Court found the following conclusions of law :

"1. The courses of the tug and the Frisia being crossing courses, involving risk of collision, and the tug having the Frisia on her own starboard side, it was the duty of the tug to keep the bark out of the way of the Frisia.

2. The tug committed faults leading to the collision, in that she attempted to cross ahead of the Frisia, with the bark, and in that, after getting no response from the Frisia to any one of her whistles, she kept on and did not stop or reverse.

3. The Frisia committed faults leading to the collision, in that she ported, and did not starboard, when it was plainly seen by those in charge of her, that the tug and the bark were crossing her course, so as to involve risk of collision, and in that she did not sooner stop and reverse.

4. The libellants are entitled to a decree against the Frisia and the tug, and their respective stipulators severally, each for one-half of the entire damages of the libellants, and of the proper interest thereon, and of their costs in the District Court and in this Court, so far as the stipulated value of the vessel shall extend ; any balance of such one-half, over and above such stipulated value of either vessel, or which the libellants shall be unable to collect or enforce, to be paid by the other vessel or her stipulators, to the extent of the stipulated value thereof beyond the moiety due from said vessel."

H. T. Wing and *H. Putnam*, for the libellants.

T. E. Stillman and *W. Mynderse*, for the Frisia.

R. D. Benedict, for the John N. Parker.

BLATCHFORD, J. The District Judge condemned the tug and acquitted the Frisia. (24 *Fed. Rep.*, 495.) He held

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that, it being the duty of the tug to avoid the Frisia, she was in fault in attempting to cross the Frisia's bows. As to the Frisia, he held that the whistles of the tug were all of them blown when the Frisia was so close at hand that stopping and reversing her engines was the only thing then to be done by her towards avoiding a collision; and that, in the absence of timely whistles from the tug, the Frisia was not chargeable with knowledge of the intention of the tug to attempt to cross the bows of the Frisia. The District Judge said: "If, notwithstanding the omission of the tug to give timely notice by her whistle, the circumstances were such as to inform the steamer in time that the tug was intending to cross her bows, such circumstances cast upon the steamer the duty, by a timely change of her course, or slacking of her speed, to avoid the danger attending the course selected by the tug. I find in the circumstances proved nothing calculated to convey such information to the steamer."

The course of the Frisia being south-southwest and that of the tug being west-northwest, it was necessarily apparent to those on the Frisia that the tug was crossing the course of the Frisia at right angles.

Again, the answer of the Frisia says that the bark, in tow of the tug, "was apparently bound from a point near Merchant's Stores, Brooklyn, to a point a little to the southward of Bedlow's Island," and that the collision occurred "to the southward and eastward of Bedlow's Island." The answer also says, as to the Frisia: "Those in charge of her navigation first saw the tug John N. Parker and the bark James L. Harway in tow thereof, about three points or more on the port bow of the steamship and distant three-quarters of a mile. The Frisia continued upon her course, which was about south-southwest, and those in charge of her navigation, seeing that the said tug and bark were taking no measures to avoid the steamship, though it was their duty to so do, blew a single blast of the steam-whistle to call the attention of the tug and bark to their duty, and to warn them to go under the stern of the steamship. The said signal was unheeded by

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the tug and bark, and they continued at undiminished or at increased speed, on a course crossing the course of the Frisia ahead of the Frisia." It is also apparent, from the testimony of the chief officer and the pilot of the Frisia, that they saw all the time that the tug was on a course crossing the bow of the Frisia, and was intending to cross her bow, and that they thought the Frisia could do no harm by keeping on. Under these circumstances, the duty of the Frisia, under Rule 21 of section 4,233 of the Revised Statutes, to at least slacken her speed much sooner than she did was plain. If she had done so, she would have gone astern of the bark.

As the District Court ordered a reference as to damages only as against the tug, and the claimant of the Frisia was no party to the proceedings on that reference, there must be a new reference as to damages in this Court, to be conducted on notice to all three of the parties.

LEONORA A. ARNOLD AND OTHERS

vs.

CHARLES A. CHESEBROUGH AND OTHERS. IN EQUITY.

The attorney for a defendant cannot be compelled, by a *subpœna duces tecum*, to produce a letter written to his client, which the attorney received from the client as a paper material to his defence, it not being shown that a *subpœna duces tecum* could not be served on the client.

(Before BENEDIOT, J., Eastern District of New York, July 16th, 1886.)

BENEDIOT, J. The certificate of the examiner and the motion of the plaintiff presents the question, whether the attorney of the defendant Charles Augustus Chesebrough can, by a *subpœna duces tecum*, be compelled to produce a letter

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written by one Blasius M. Chesebrough, which the attorney received from his client as one of the papers material to his defence in this action, the attorney declining to produce the letter upon the ground of privilege, and there being nothing in the case to show it impossible to serve a *subpœna duces tecum* upon the defendant, from whom the attorney received the letter. Upon this ground my opinion is, that the attorney cannot be compelled to produce the letter.

George Norris, for the plaintiffs.

Bliss & Schley, for the defendants.

THE CITY OF ALEXANDRIA.

What is negligence, in failing to properly secure goods loaded on a lighter, considered.

A lighter, transporting cargo, at Havana, to a steamer, held, on the facts, to have been in the service of the steamer, so that delivery of the cargo to the lighter was delivery of it to the steamer, and made the latter responsible for damage to the cargo by its falling overboard from the lighter.

(Before WALLACE, J., Southern District of New York, July 16th, 1886.)

THIS was a libel *in rem*, filed in the District Court, by Joseph A. Vega and Jacob Bernheim, against the steamer City of Alexandria, to recover for damage to cargo shipped by that vessel. The District Court dismissed the libel. (23 *Fed. Rep.*, 826.) The libellants appealed to this Court, which found the following facts:

“1. In 1882, and for some years prior thereto, the libellants were copartners, doing business in the City of Havana, Cuba, and New York, as merchants and importers of tobacco.

2. The City of Alexandria was one of the Alexandre line of steamers, running between New York, Havana and other

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Cuban and Mexican ports, as a common carrier of passengers and merchandise.

3. All shipments of tobacco from Havana were required to pay an export duty, and every package had to be sent to the Caballeria wharf, a government wharf, to be inspected and passed by the government officials.

4. The steamers of the Alexandre line never came up to the wharves of Havana, but lay at anchor about half a mile from the government wharf, and all merchandise was taken to them by lighters. The custom of steamers of other lines was the same.

5. The course of business with reference to the shipping of tobacco from Havana by the Alexandre line, in 1882, and some years prior thereto, was, that the merchants made application for transportation of their tobacco, at the office of Todd, Hidalgo & Co., agents of the line, handing to them, at the same time, the proposed bills of lading, filled out upon the regular form provided by the line, showing the numbers and marks of the packages, the name of the shipper, the name of the steamer, and the destination of the goods. Upon the application for the shipment being granted, Todd, Hidalgo & Co. issued to the merchant a 'shipping order,' consisting of two pieces of paper joined by a perforated line, one piece containing an order to the steamer to receive the goods, the other containing a form of receipt to be signed for the goods.

6. The libellants owned 399 bales of tobacco, which they desired to ship from Havana to New York by the City of Alexandria, which steamer was preparing to sail from Havana, March 11th, 1882. Raphael J. Vega, as agent of the libellants, prepared bills of lading upon printed forms furnished by the steamer, and sent them to the office of Todd, Hidalgo & Co. early in the morning of March 10th, 1882, and made application for the transportation of the tobacco to New York. A 'shipping order' in the usual form was thereupon issued. The tobacco was sent to the Caballeria wharf, where a custom house broker attended to the payment of duties, and

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it was then, in regular course of business, taken charge of by Mendez & Co., the lightermen of the Alexandre line.

7. The tobacco was taken on board the lighter Paquita by Mendez & Co., who were the proprietors of the line of lighters of which the Paquita was one. Mendez & Co. thereupon signed the receipt which formed a part of the 'shipping order.' In the afternoon of March 10th, while the Paquita was proceeding under sail from the Caballeria wharf to the City of Alexandria with the 399 bales of tobacco on board, a puff of wind tipped the lighter a little, and 86 of the bales fell into the water. The bales, which were three feet square, had been piled three tiers or more above the gunwale of the lighter, which was excessively high, and were not secured by lashings or otherwise. It was customary in the port of Havana, when tobacco was carried by a lighter under sail, to lash or secure the tobacco, so that it would not fall off by the careening of the vessel. If the tobacco was not lashed, it was customary and usual for the lighters to proceed under tow instead of under sail; the risk of tipping the tobacco over being much less when the lighter was in tow. The loss of the 86 bales from the Paquita, and the resulting damage, was due to the negligent manner in which the tobacco was stowed upon the Paquita, and to the negligent manner in which the Paquita was navigated. The weather at the time was fine, there was no extraordinary wind, and no peril of the sea. The bales that fell overboard from the Paquita were recovered from the water by Mendez & Co. in a damaged condition, and were subsequently taken to the steamer and brought to New York, and there delivered, with the rest of the shipment, to the libellants, almost worthless.

8. On the morning of the 11th of March, Mr. Vega called at the office of Todd, Hidalgo & Co., the agents of the City of Alexandria, and surrendered to them the receipt which the lightermen had given for the tobacco, and the agents of the steamer, to whom the circumstances of the disaster and of the damage to the tobacco were known, thereupon issued a clean bill of lading for the steamer, to Mr. Vega. The lighters of

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Mendez & Co. did all the lighterage business for the Alexandre line, and it was the uniform custom of the Alexandre line to sign and issue the steamer's bills of lading upon the receipt (forming part of the 'shipping order') being returned to them by the merchant, signed by Mendez & Co., the lightermen.

9. The lightermen's charges were generally paid by the steamer, and were entered upon the bill of lading to be collected with the freight, at the port of destination, and in this case the lightermen's charges were so entered on the bill of lading issued to Mr. Vega and were collected from the libellants with the freight at New York.

10. The owners of the City of Alexandria were not the owners of, or interested in, the Paquita, or in the business of Mendez & Co."

Wilhelmus Mynderse, for the libellants.

Robert D. Benedict, for the claimants.

WALLACE, J. The libellants' tobacco was injured while being carried from the Caballeria wharf, Havana, to the steamship, on a lighter belonging to Mendez & Co. The questions in controversy are, first, whether the accident was occasioned by the negligence of the lighter or by a peril of the sea; and, secondly, whether the steamship is responsible for the negligence of the lighter.

As to the first question, the case for the libellants is so plain as to be almost free from doubt. Three hundred and ninety-nine bales of tobacco, very dry and slippery, were taken on by the lighter to be carried about a half mile from the wharf, to the steamship, lying in the harbor. They were piled in 6 tiers, 3 of which were above the gunwale, and extended 8 or 9 feet above, and were wholly unprotected. As the lighter proceeded under sail, she encountered a slight puff of wind, which caused her to careen slightly and 86 bales slipped off into the water. The fact that nearly a quarter of the cargo slid off into the sea when the lighter "only tipped

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a little," (to quote the testimony of one of her owners,) is of itself enough to indicate that there was negligence of the rankest kind, either in putting on board much more cargo than could be safely carried on the lighter, or in failing to protect the bales by proper lashing. An attempt is made, in defence of those in charge of the lighter, to show that the cargo was loaded in the customary way practised in Havana as to quantity, and as to the means for securing the cargo. This defence succeeded in the District Court, no evidence having been introduced there on the part of the libellants to controvert the alleged usage. If this usage were shown to prevail, it would prove that the lightermen of Havana are habitually careless and reckless in the conduct of their business; and it would seem incredible that an intelligent community would tolerate, much less sanction, as an established usage, the practice of loading valuable cargoes in such a way that, whenever the vessel meets a passing breeze, a large part of the cargo is liable to be lost overboard. Slight evidence ought to suffice to overthrow the existence of such an usage. Evidence has been introduced upon this appeal, which satisfactorily shows that the cargo was piled upon the lighter excessively high; that, in such a trim, it could only be transported safely by a lighter not under sail but in tow of a tug; and that it is customary, at Havana, to protect such a cargo by lashing the bales to the lighter.

The more debatable question is, whether the lighter, while transporting the libellants' tobacco, was in the service of the steamship, so that delivery of the cargo to the lighter was a delivery to the steamer. The libel alleges, that the libellants, on the 10th day of March, 1882, caused 399 bales of tobacco to be delivered to the steamer, at Havana, for transportation to the port of New York, in good order and condition; that thereafter the steamer issued a bill of lading to the libellants, agreeing to convey the tobacco to the city of New York and deliver it to the libellants in like good order and condition; and that there was a breach of this agreement, in that 86 of these bales were thereafter delivered to the libellants in a

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damaged and nearly worthless condition. The answer admits, that, while the steamer was lying in the port, at Havana, there were delivered to the said steamer, for transportation to New York, 399 bales of tobacco, and that thereafter the agents of the steamer issued on behalf of the steamer a bill of lading therefor, to which reference is made for the contents thereof. The answer then alleges affirmatively, that, before the tobacco was delivered to said steamer, and while the same was in transit from the shore to the steamer, 86 bales were damaged by a peril of the sea or otherwise, and that thereafter the bill of lading referred to was delivered, in which, by an oversight or mistake, the injury to said 86 bales was not specified, and that such fact was known to the libellants when they received the bill of lading.

The proofs show, that, on the morning of March 10th, 1882, the libellants, through their agent at Havana, applied at the office of Todd, Hidalgo & Co., the agents for the owners of the line of steamships of which the City of Alexandria was one, for transportation of 399 bales of tobacco to New York. The steamers of the line never come up to the wharves of Havana, but lie at anchor about half a mile from the Caballeria wharf, and all merchandise is taken to them by lighters. Persons desiring to make shipment by the line apply at the office of the agents, and the agents, if the application is assented to, issue to the shipper a shipping order, consisting of two parts, one part containing an order, addressed to the purser of the steamer, to receive the goods, the other containing a form of receipt to be signed by him upon receiving the goods. Mr. Todd, of Todd, Hidalgo & Co., was a partner at the time, and had been for many years, of the firm of Mendez & Co., which firm was the owner of a large number of lighters. For several years it had been the course of business between shippers at Havana, (including the libellants,) and the agents for the steamship line, for the shippers to deliver the shipping orders received from Todd, Hidalgo & Co. to Mendez & Co., or their employés, and Mendez & Co. would sign the receipt part of the order and

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deliver it to the shipper, who thereupon, after delivering it to Todd, Hidalgo & Co., would receive from them a bill of lading in behalf of the steamer. Exceptionally shippers would send their merchandise on board the steamers by lighters other than those of Mendez & Co., but Mendez & Co. seem to have been understood by the mercantile community at Havana to be the recognized lighterers of the steamship company, and the libellants had uniformly caused their goods to be delivered to them. The lighterers at Havana have a uniform tariff of rates, and it was customary for the steamship company, when merchandise was delivered to their steamers by Mendez & Co., if lighterage had not been paid by the shipper, to pay the lighterage and add it as a distinct item to the charges to be collected, with the freight, from the consignee.

On the occasion in question, the agent for the libellants, after receiving the shipping order, caused it to be delivered to Mendez & Co., and Mendez & Co. signed the receipt, and it was delivered to the libellants' agent. This receipt acknowledged the reception on board the City of Alexandria of the 399 bales of tobacco in good order and condition. While the tobacco was being transported by the lighter from the wharf to the steamer, the 86 bales were damaged in the manner which has been stated. The same afternoon, the agent of the libellants was notified of the accident. The next morning he called on Todd, Hidalgo & Co. They claimed that the loss occurred by a peril of the sea, and that the libellants could recover the loss from the insurers of the cargo. They proposed to give the libellants a clean bill of lading for the 399 bales, and to assist them in obtaining payment from the underwriters. The libellants' agent insisted that the libellants should be compensated for the loss, but consented to make a claim against the Switzerland Marine Insurance Company, the underwriters. Under these circumstances, Todd, Hidalgo & Co. executed the bill of lading referred to in the libel and answer, acknowledging the receipt of 399 bales upon the steamship in good order, and undertaking to deliver the

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same to the libellants at New York. The libellants did not pay the lighterage. Nothing was said about it by any of the parties, and the amount was added to the freight, by the agents for the steamer, on the bill of lading, in the customary way. Upon the arrival of the steamer in New York, the libellants, with the participation of the owners of the steamship, made a claim against the insurers. There was no representation, however, that the loss occurred after the tobacco had been actually put on board the steamer, but the fact that the tobacco was injured by falling overboard while on the lighter was stated to the insurers. The insurers repudiated liability for the loss. Thereupon this suit was brought.

If the delivery of the tobacco to the lighter was equivalent to a delivery to the owners of the steamer, the steamer is liable *in rem*, notwithstanding the loss occurred before the tobacco was actually laden on board. This proposition is not open to discussion, upon the authority of *Bulkley v. Naumkeag Steam Cotton Co.*, (24 How., 386.) The only distinction in the facts between that case and this is, that there the lighter was employed by the master of the vessel to transport the goods to the vessel from the wharf. The loss took place by an explosion on the lighter, which threw the goods into the water, and subsequently the master of the vessel, with knowledge of the facts, signed a clean bill of lading for the whole quantity of goods. The Supreme Court held that the vessel was bound from the time of the delivery of the goods by the shipper and acceptance by the master; that the delivery to the lighterman was a delivery to the master; that the transportation by the lighter to the ship was the commencement of the voyage in execution of the contract, the same in law as if the goods had been placed on board the ship instead of the lighter; and that the lighter was simply a substitute for the ship, for this portion of the service.

Inasmuch as the master is but the agent for the owner of the vessel, this case cannot be distinguished from the case cited, if the owners themselves authorized the libellants to deliver their goods to the lighters of Mendez & Co., and

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have treated such a delivery as a delivery to their steamer. It is to be observed, not only that, for many years, the owners, through their agents Todd, Hidalgo & Co., have allowed Mendez & Co. to receive goods from shippers, to be taken by lighters to the steamships, and sign receipts representing the goods as actually received by the steamships, but they have also allowed their agents to give bills of lading as though the goods were actually on board a specified steamship, although they were only in the custody of Mendez & Co., as lightermen. To such an extent has this practice been permitted to prevail as to give rise to a general understanding, on the part of shippers dealing with them at Havana, that Mendez & Co. were the authorized lightermen for the steamship line, and that goods delivered to them were in the custody of the steamship by which they were to be transported. Under such circumstances, it would seem to be immaterial whether the lightermen were acting for the owners under any distinct arrangement with them, or whether the owners had any pecuniary interest in the business of the lighter. It suffices that the owners held out Mendez & Co. to the public as entrusted with authority by them to accept the delivery of goods and receipt for the goods in behalf of the steamships; and, as to those who, like the libellants, acted upon the faith of such apparent authority, the owners are estopped from disputing the existence of the authority exercised. It would not seem doubtful, that, after a shipper had delivered goods to Mendez & Co. pursuant to a contract with Todd, Hidalgo & Co., for their transportation by a particular steamer, had received a receipt from Mendez & Co. in behalf of the steamer, had presented that receipt to Todd, Hidalgo & Co., and had received a bill of lading in behalf of the steamer, there would be a lien upon the goods for freight in favor of the steamer, although the goods had not actually been put on board. They could not be heard to say that they had not parted with the custody of their goods and delivered them, in part performance of the contract for transportation, to the steamship. If so, reciprocally, there would be a lien against

Hubel v. Dick. The Same v. Tucker.

the vessel in behalf of the shipper, for the performance of the contract.

The special circumstances of the present case fortify the position of the libellants and place their rights upon a sound foundation. After all the facts were known, the agents for the owners recognized the delivery of the tobacco to the lightermen, as a delivery to the steamship, by signing the bill of lading. The answer does not challenge the authority of Todd, Hidalgo & Co. to sign a clean bill of lading, but the owners, having full knowledge of the facts when their answer was interposed, assert, in substance, that the contract is not obligatory because it was made by their agents through oversight or mistake, before the tobacco was delivered to the steamer. Their position upon the record is a ratification of the conduct of their agents, because they do not attempt to repudiate their acts but seek to excuse them by a falsehood.

The libellants are entitled to a decree, with costs of this Court and of the District Court. Their loss seems to have been estimated in the sum of \$4,669, upon an appraisal made by the underwriters. If a decree for this sum, with interest, is not satisfactory to either party, there will be a reference to a commissioner to assess damages.

FREDERICK A. HUBEL

vs.

DUNDAS DICK. IN EQUITY.

THE SAME

vs.

WILLIAM A. TUCKER AND DUNDAS DICK. IN EQUITY.

Claim 1 of re-issued letters patent No. 10,487, granted to Frederick A. Hubel, January 15th, 1884, on an application made November 16th, 1883, for a ma-

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chine for cutting off gelatine capsules, (the original patent having been granted to him February 13th, 1877, and re-issued as No. 8,440, October 1st, 1878, on an application made August 17th, 1878,) namely, "1. In a machine for cutting off capsules, the combination of the series of moulds, *e*, and the rack, pinion and lever, *F, T, H*, or their equivalents, substantially as and for the purposes described," is not infringed by a machine constructed in accordance with letters patent No. 305,867, granted to William A. Tucker, September 30th, 1884, for an improved gelatine capsule-cutting machine.

Claim 6 of re-issue No. 10,437, namely, "6. In a capsule-cutting machine, the combination with the supporting-frame, of a mould-plate, bearing a series of capsule moulds, substantially such as described, secured thereto at regular intervals, and a series of knives arranged at like regular intervals as said moulds, and adapted to cut the capsules formed thereon, substantially as described," is invalid, as being a claim to a sub-combination of separate parts in the entire machine covered by the original patent, and a claim to a different invention, applied for after an unreasonable delay, and after the equitable rights of other parties had intervened.

A demurrer to a supplemental bill overruled, under the special circumstances of the case.

A prior inventor who applied for a patent 19 months after he completed his working drawings, and 10 months after he completed his machine, is not guilty of such laches as to deprive him of the benefit of his patent, although it was applied for by him more than 3 months after a patent was granted to a junior inventor, the prior inventor having produced a successful machine before the patent was issued to the junior inventor.

(Before SHIPMAN, J., Southern District of New York, July 16th, 1886.)

SHIPMAN, J. The first of these cases is a bill in equity, filed February 26th, 1884, to restrain the defendant from the alleged infringement of two letters patent, one being re-issued patent No. 10,437, granted to the plaintiff January 15th, 1884, and the second, No. 275,092, granted to Harrison H. Taylor, assignor to the plaintiff, April 3d, 1883. Each patent is for a machine for cutting off gelatine capsules.

The original Hubel patent was dated February 13th, 1877. The first re-issue, No. 8,440, was applied for August 17th, 1878, and was granted October 1st, 1878; the second re-issue, and the one in suit, was applied for November 16th, 1883.

The second case is a bill in equity, under section 4,918 of the Revised Statutes, praying that letters patent to William A. Tucker, No. 305,867, dated September 30th, 1884, for an improved gelatine capsule-cutting machine, may be declared

void, upon the ground that it is an interfering patent with the previous Taylor patent, No. 275,092, and is for the machine which is therein described, and of which said Taylor was the first and original inventor.

The Hubel machine and re-issue No. 10,437. Before the date of the application for Hubel's original patent, gelatine capsules were, as a rule, moulded upon a board containing separate mould pins, and were cut off by hand upon a knife fastened to the table with its cutting edge looking upwards. Considerable testimony was given in regard to a machine used in 1865, by the defendant, for making soft capsules, and which is said to have been furnished, for about three months, with a cutting device. The knives are said to have been fastened to a stationary circular railway. The moulds were brought over the edges of these knives, and, being rotated by means of cog wheels, to one of which a crank was attached, the gelatine upon the moulds was cut. I make no finding in regard to the cutting devices upon this machine, for, if they existed, the cutting mechanism seems to me to have been so primitive and uncertain in its results, that it could anticipate nothing but a machine of a like method of construction.

The Hubel machine was for cutting off capsules automatically, and was so constructed that a series of mould pins, placed at regular intervals upon a removable plate, was lifted up between a series of knives, which were moved around the mould pins.

The following description of the machine is condensed from a description of it which was given by the defendant's expert, Mr. Henry B. Renwick: It consists essentially of a series of moulds or pins, with hemispherical ends, arranged in rows, at regular intervals from each other, and secured in upright positions upon a plate called a "mould-plate." The machine has a series of knives mounted each upon the lower end of a spring, and arranged similarly to the moulds. Each of the springs is secured to the under side of a cog wheel, but not in the centre of the wheel. These wheels are all in gear with each other, and are all of the same

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diameter; one of them is provided with a handle secured by a crank to the wheel. When this crank is revolved, all the cog wheels turn, and so do the knives mounted upon them, with a motion like that of the moon around the earth. The springs on which the knives are mounted serve to press them against the capsules. The way of getting the moulds into proper relation with the knives is by setting the mould-plate so low that the tops of the capsules will be below the knives, and with their tops lying below the spaces between the knives. The moulds and capsules are then lifted up, by a rack, pinion and lever, into these spaces, and are moved horizontally, so as to bring the capsules into contact with the knives.

The defendant was using, when the plaintiff's bill was brought, a machine made like the drawings in the patent which was subsequently granted to William A. Tucker, on September 30th, 1884. The defendant insists that sufficient evidence was not given of this use, but, taking the testimony, although scanty, which was offered by the plaintiff, in connection with the admissions contained in the various answers, I am satisfied that the Tucker machine was in use by the defendant before and on February 26th, 1884.

The following description of the machine is also condensed from Mr. Renwick's description: It has a supporting frame which carries its working parts. It is provided with a sort of shelf, which can be slid up and down to a short distance, and which rests upon and is carried by a nut, on the periphery of which there is a worm wheel that is in gear with a screw provided at one end with a crank. By turning this crank, the nut may be made to revolve, and, consequently to raise or lower the shelf very slowly, and through a short distance. This shelf carries the mould-plate indirectly, through the intervention of another plate, upon which the mould-plate rests, and to which it is clamped. This second plate is called the "rotation plate." In order to move it, a vertical shaft passes up through the centre of the nut which carries the worm wheel, and this shaft has on its upper end a

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crank, the crank pin being vertical and taking into a hole bored into the bottom of the rotation plate. The machine has near its top a knife shelf, capable of vertical motion, which carries a series of vertical knives, mounted on springs and arranged at the same intervals apart as the moulds. The shelf and knives are moved up and down by a lever. The mould-plate is introduced by hand at such a level that the trimming line of the capsules is opposite the knives and is secured to the rotation plate. During this time, the knives have been kept out of the way by means of pins and a rod, but are now suffered to spring into position against the capsules by means of a motion of this rod. The shaft upon which the crank and crank pins are fixed which actuate the rotation plate is set in motion, the plate is rotated and carries each capsule around the edge of a knife. After the capsules have been cut in two, the knives are shoved downwards by means of the lever, and the chip is, by means of this motion, separated from the capsule.

The original Hubel patent was not drawn by a patent solicitor and contained but a single claim for the entire machine. It omitted the moulds and failed to designate the separate patentable features of the invention. Re-issue 8,440 was applied for and contained six claims, as follows: "1. In a machine for cutting off capsules, the combination of the series of moulds, *e*, and the rack, pinion and lever, F, T, H, for the purpose of regulating the length of the capsules, substantially as described. 2. In a machine for cutting off capsules, the combination of the sliding plate, adapted to hold the series of moulds, and the screw mechanism L, K, N, for the purpose of forcing the moulds against the knives, substantially as described. 3. In a capsule-cutting machine, a series of rotary cutters operated by a crank and pinion acting upon pinions, one of which is attached to each of said cutters, substantially as specified. 4. In a capsule-cutting machine, the rotary cutters, driven by gearing, substantially as described, and supported upon spring-arms, substantially as and for the purposes set forth. 5. In a machine for cutting off capsules,

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the combination of the sliding plates, adapted to hold the moulds of the rack, pinion, and lever F, T, H, and the screw mechanism K, L, N, for the purpose of giving both a lateral and vertical motion to the sliding plates, substantially as described. 6. The plate R, C, in combination with a series of capsule-moulds secured thereto at regular intervals, substantially as and for the purposes set forth."

In a suit between the present parties upon the first re-issue, not involving the Tucker machine, Judge Wallace held that the first five claims were valid, and that the sixth was void, whereupon the present re-issue was obtained, having six claims, of which the 1st and 6th, the only ones alleged to be infringed by the Tucker machine, are as follows: "1. In a machine for cutting off capsules, the combination of the series of moulds, e, and the rack, pinion and lever, F, T, H, or their equivalents, substantially as and for the purposes described." "6. In a capsule-cutting machine, the combination, with the supporting-frame, of a mould-plate bearing a series of capsule-moulds substantially such as described, secured thereto at regular intervals, and a series of knives arranged at like regular intervals as said moulds, and adapted to cut the capsules formed thereon, substantially as described."

The first question relates to the infringement of the first claim. In the Hubel machine, the removable plate, after the moulds have been dipped in the bath, is placed in the machine at a point where the tops of the capsules are below the spaces between the knives, and is then lifted by the rack, pinion and lever into these spaces, and to a point where the trimming line of the capsules is opposite the knives. The removable plate of the Tucker machine is not placed below the knives and then moved upward, but is inserted by hand at the point where the trimming line of the capsules is opposite the knives. It is true, that, in this machine, by means of a worm wheel, screw and crank, the shelf which carries the mould-plate is given a "slight vertical adjustment," "in order to accurately adjust the moulds to the knives;" but

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this movement is not, as in the Hubel machine, for the purpose of carrying the moulds up to the knives. It is rather for the purpose of adjusting the moulds when a new or different length of capsules is to be trimmed. While the worm-gear may be properly said, in certain places and machines, to be an equivalent for the rack, pinion and lever, it is not in this machine, because, in the language of Mr. Renwick, "the mechanism is a means of adjustment and not a means of movement." The motion is altogether too slow and too limited to answer the purpose of the rack, pinion and lever, and is introduced into the machine for a different object. The first claim is not infringed.

The proper construction of the 6th claim is a question upon which the respective parties differ, the defendant insisting that mechanism for rotating the cutters is a necessary element. The draughtsman endeavored to have it include the knives and their appurtenant mechanism, so related to the moulds and to rotating mechanism of some sort, that they would cut the capsules upon the moulds, and to exclude the rotating mechanism. The claim, as thus construed, includes a very important part of the invention, for, after every thing has been done with respect to the cutting mechanism except to rotate it, the mere mechanism by which either knives or mould plates are rotated may not be difficult. I do not think that the exclusion of rotating mechanism is very important, for, if the claim should be construed to include mechanism for rotating either knives or moulds, so constructed as to operate in substantially the same way with the described mechanism, inasmuch as the invention is, in effect, a primary one, the word substantially would "be made to cover differences alike numerous and important." (*Walker on Patents*, sec. 362; *Railway Co. v. Sayles*, 97 U. S., 554.)

The question, which is also made, of the validity of the 6th claim, irrespective of its construction, seems to me, in view of the history of the patent, to be the most dangerous question to the plaintiff. The original patent was granted February 13th, 1877, and was for the entire machine, although

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claims for sub-combinations could properly have been granted. It has been held, in this Circuit, that the application for a re-issue for sub-combinations was seasonably made, and that the first five claims of the re-issue, which was granted October 1st, 1878, were valid, and that the 6th claim was void. It is now contended by the plaintiff, that the 6th claim was supposed by the patentee to be for the combination of the removable plate in a supporting frame, a series of moulds at regular intervals, and a series of cutters; and that, the Court having held that the phraseology of the claim did not permit such a construction, the patent was again re-issued to narrow the claim, so that it should have the construction which was originally intended.

The plaintiff's ingenious argument fails to satisfy my mind, in view of the claim itself. If the plaintiff wanted, at the time the first re-issue was taken, a claim for a combination of plate-moulds and knives, it would have been easy to have used language which would manifestly contain those elements; and, if he really supposed, at that time, that his 6th claim would receive the construction which is now sought for it, the supposition was not an inadvertence or a mistake, but an error of judgment.

The facts are, then, that the original patent patented the whole machine, the first re-issue attempted to patent the combination of frame, plate, and mould, which, for some reason, was held to be void; that the important combination of frame, plate, knives and moulds, to be used in connection with mechanism by which the knives were to be made to cut the capsules, was left open for more than five years to the public, and became the subject upon which at least two independent inventors made inventions, prior to the application for a second re-issue.

The well-known authorities are to the effect, that sub-combinations of the separate parts of an entire machine, which are apparent on the face of the specification, but were omitted to be claimed in the original patent by inadvertence or mistake, can be introduced in a re-issue, if seasonable

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application is made therefor ; but, if application is postponed for an unreasonable time, they become abandoned to the public, especially if the equitable rights of other parties have intervened. (*Miller v. Brass Co.*, 104 U. S., 350 ; *Mathews v. Machine Co.*, 105 U. S., 54 ; *Gage v. Herring*, 107 U. S., 640.)

But, it is said that the 6th claim of the second re-issue is narrower than the corresponding claim of the first re-issue, and, therefore, is not within the scope of the cases which have been cited. It is, in a certain sense, a narrower claim, inasmuch as it contains a larger number of elements, but it describes a different invention. The claim is not a different mode of describing that which was specified in the first re-issue, and is not a limitation and narrowing of the invention which was described therein, but it describes an independent and important invention, and thereby, after a lapse of five years, the patent was enlarged. The principles in regard to the invalidity of re-issues, when unreasonably delayed, have become so well established, that they cannot be successfully avoided by adding, after an unreasonable delay, in a second re-issue, another element to a combination described in a void claim in the first re-issue, the last added element making a different and previously unclaimed invention.

The Taylor Patent. The entire history of the Taylor and Tucker patents shows that the first claim of the Taylor patent is infringed by the Tucker machine, and that the only question in the case is in regard to priority of invention by the respective inventors.

After Taylor's patent had been granted, Tucker filed his application, on July 20th, 1883. Thereupon, an interference was ordered, the examiner saying that the count was a single one, and was found substantially in the first claim of each party, and was as follows : "The combination of a plate with round cutters, secured firmly by their shanks, and a second plate carrying mould-pins held stationary thereon, and mechanism substantially as described, to move the latter plate, and cause the mould-pins to describe circles around the cut-

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ters." By the board of examiners the interference was decided in favor of Tucker, an appeal to the Commissioner of Patents was withdrawn September 8th, 1884, and a patent was granted September 30th, 1884. Thereupon, the defendant Dick set up said decision and the issuing of said patent, by supplemental answer. The plaintiff, because there was a question whether, after an interference and decision by the Patent Office upon the question of priority of invention between two interfering patents, the owner of one of the patents was not estopped from contesting the question of priority in a bill for infringement against the owner of the other patent, each being party or privy to the judgment of the Patent Office, brought a bill in equity against Tucker and Dick, he being the exclusive licensee of said Tucker, under section 4,918, to determine the question of priority, and also filed a supplemental bill in *Hubel v. Dick*, setting up the above recited facts, and praying for the benefit in that suit of any decree in *Hubel v. Dick and Tucker*. To this supplemental bill, the defendant demurred, pleaded the Patent Office decision, and answered.

There was nothing objectionable in the general purport and object of the supplemental bill. It became, if not necessary, at least proper, by reason of the facts in the supplemental answer. If I had heard the demurrer at the time it was filed, I think that I should have caused the bill to be amended by striking out the allegations in regard to the novelty and utility of the inventions, which had already been set out in the bill, because the defendant is unnecessarily called upon to answer again those allegations, and the supplemental bill seems to renew the issue already made, instead of confining itself to the supplemental matter. But the testimony which was taken under the supplemental bill was very limited, and the only testimony upon the subject of priority was taken under the *Hubel v. Tucker and Dick* suit. As the danger which the defendant desired to avoid by the demurrer did not arise, it seems best to overrule the demurrer, without costs.

The Hubel v. Tucker and Dick suit. The testimony in

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regard to priority was brief. It consisted on the part of the plaintiff of proof of the Taylor patent, which, upon its face, is the elder one, and of proof that the first claim of each patent was for the same invention. The defendants offered the proceedings in the Patent Office upon the declaration of interference, which resulted in a finding of facts, and a decision by the examiners in chief in favor of Tucker. The evidence of importance was the finding of facts upon which the decision of the examiners was based, so that the question is truly stated by the plaintiff to be—was the decision of the Patent Office correct upon its face?

The board of appeals found that Taylor conceived the invention in January, 1882, applied for his patent March 23d, 1882, which was issued April 3d, 1883; and that Tucker conceived the invention in November, 1880, made drawings in January, 1881, and commenced to make working drawings for a machine by October 1st, 1881, which were completed in December, 1881. A machine was ordered July 5th, 1882, was built in August, 1882, and put into successful operation in September, 1882. He applied for his patent July 20th, 1883. Tucker first conceived of the invention, and with reasonable diligence reduced it to practice before the publication of Taylor's patent.

The fundamental principle in regard to priority, as between two independent inventors, was early announced by Judge Story, as follows: "He who invents first shall have the prior right, if he is using reasonable diligence in adapting and perfecting the same, although the second inventor has, in fact, first perfected the same, and reduced the same to practice in a positive form." (*Reed v. Cutter*, 1 *Story*, 590, 600.) Thus, the question of reasonable diligence is of prime importance, and, if the first inventor postpones for an unreasonable period the practical embodiment of his mental conceptions and his application for a patent, the consequences of his laches may be fatal. Judge Ingersoll, in *Ellithorpe v. Robertson*, (4 *Blatchf. C. C. R.*, 307, 309), clearly announced the law upon the subject of priority between a prior patentee

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and the one who first invented, but who was guilty of laches both in reducing his invention to practice and in applying for his patent, as follows: "To defeat a patent which has been issued, it is not enough that some one, before the patentee, conceived the idea of effecting what the patentee accomplished. To constitute such a prior invention as will avoid a patent that has been granted, it must be made to appear that some one before the patentee, not only conceived the idea of doing what the patentee had done, but also reduced his idea to practice, and embodied it in some practical and useful form. The idea must have been carried into practical operation. The making of drawings of conceived ideas is not such an embodiment of such conceived ideas in a practical and useful form, as will defeat a patent which has been granted." So, also, in *Draper v. Potomska Mills Co.*, (13 *Off. Gaz.*, 276,) Judge Shepley says: "Illustrated drawings of conceived ideas do not constitute invention, and, unless they are followed up by a seasonable observance of the requirements of the patent laws, they can have no effect upon a subsequently granted patent to another. But a patentee whose patent is assailed upon the ground of want of novelty, may show, by sketches and drawings, the date of his inceptive invention, and, if he has exercised reasonable diligence in perfecting and adapting it, and in applying for his patent, its protection will be carried back to such date."

The question, therefore, is—should the first inventor, who proceeded with reasonable diligence to perfect an important invention, and who produced a successful machine before the junior inventor's patent was issued, lose his right to the fruit of his invention on account of the delay which he exhibited in applying for his patent? That laches merely in applying for a patent, when there was no laches in otherwise perfecting the invention, may compel an inventor to be deprived of his patent, another inventor having meanwhile given the same invention to the public, is probably true. The remarks of Acting Commissioner Duncan, in *Monce v. Adams*, (1 *Off. Gaz.*, 1, 2,) are important and valuable upon this point.

In the case under consideration, the utmost time, during which the inventor may be chargeable with laches, was nineteen months, the interval between the completion of his working drawings and his application for a patent. Ten months elapsed after the completion of the machine. When an inventor of a machine of the important character of either Tucker's or Taylor's, who has been diligent in perfecting, and in reducing his invention to practice, and in attempts to bring his machine to the knowledge of the public, has merely paused, before applying for his patent, for a period of nineteen months after he completed his working drawings, and ten months after he completed his machine, I cannot say that there was such laches as should deprive him of the reward which ordinarily attends priority of invention. Our inventors are more apt, I suppose, to go into the Patent Office with incomplete inventions than to wait too long after experiment has achieved perfection. A decision which should compel haste in applying for patents before actual practice had tested the truth of the inventor's theory and had overcome difficulties in the operation of the mechanism, would, I think, be productive of more injury than a decision which, while compelling diligence in perfecting the invention, was indulgent of some delay in seeking the Patent Office.

The decision of Mr. Justice Matthews, in *Detroit Lubricator Co. v. Renchard*, (9 *Fed. Rep.*, 293,) which was much relied upon by the plaintiff, is not applicable to the facts in this case. In that case, the defendants' drawing antedated the patentee's application, and seemed to exhibit a perfect machine in all its parts. "Nevertheless, it is clearly proven that the defendants did not, in fact, construct an indicator in this form, and reduce it to actual use, until after it had been successfully accomplished by Parshall, nor until after the date of his patent. This mere drawing, therefore, cannot be allowed to have the effect of depriving Parshall of his title of being the first and original inventor."

In this case, Tucker was diligent in perfecting his in-

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vention, and it was given to the public before the date of Taylor's patent.

Let each bill be dismissed.

Frederic H. Betts and *C. Wyllys Betts*, for the plaintiff.

Josiah P. Fitch, *Livingston Gifford* and *A. G. N. Vermilya*, for the defendants.

CHESTER W. WITTERS, RECEIVER OF THE FIRST NATIONAL
BANK OF ST. ALBANS

v8.

EDWARD A. SOWLES, EXECUTOR OF HIRAM BELLOWES, DE-
CEASED, MARGARET B. SOWLES, HIS WIFE, AND OTHERS.
IN EQUITY.

In Vermont, in a suit in equity, by a receiver of a national bank, against the executor of an estate, and his wife, to collect an assessment on shares in the bank which belonged to the testator, and passed to the executor by the will, in which the wife was residuary legatee, the husband is not a competent witness against the wife, and cannot be compelled to testify against her.

(Before WHEELER, J., Vermont, July 17th, 1886.)

WHEELER, J. Hiram Bellows, the testator, was the owner of four hundred and thirty shares, of one hundred dollars each, of the capital stock of the First National Bank of St. Albans, which, by his will, passed to the defendant Edward A. Sowles, as executor, whose wife is residuary legatee. An assessment equal to the par value of the stock has been laid upon the shareholders of the bank. This bill is brought by the receiver to reach the assets of the estate in the hands of the executor, to pay the assessment upon this stock, if he has

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sufficient still in his hands for that purpose, and, if not, to reach the assets which have been distributed to the wife of the executor, and to the other defendants, who are also legatees. The orator called the executor as a witness in the cause, who declined to testify because his wife is a defendant and interested therein. This proceeding is brought to compel him to testify. By the laws relating to national banks, the executor cannot be made personally liable for this assessment, except as the assets of the estate in his hands may be charged for it. (*Rev. Stat. U. S.*, sec. 5,152.) If there are assets in his hands to be charged with that liability, and they are taken for that purpose, the prospective share of the residuary legatee will be lessened to the same amount thereby. If the assessment is charged upon the assets in her hands, on account of a deficiency of those in his hands, her estate in possession will be diminished by so much. If assets in the hands of other legatees are reached and taken for that purpose, she will be liable to make good the amount to the extent to which she has received assets as a residuary legatee. (*Rev. Laws Vt.*, sec. 2,209.) As the wife of the executor is a party to the suit, she will be bound by any decree that may be rendered therein. From this statement it is apparent, that, as between her and her husband, she is the real party in interest, and that, as between her and the other defendants, she is an interested and not a merely nominal party. There is no issue in the case in which she is not interested, and none upon which the husband can be called to testify to anything material without testifying directly for or against her.

. At common law, husband and wife, in all civil and in most criminal cases, are not competent witnesses, and not compellable to testify either for or against each other. This is elementary and is not questioned. By the laws of the United States, with some exceptions not here material, the laws of the State are the rules of decision as to the competency of witnesses in the Courts of the United States. (*Rev. Stat. U. S.*, sec. 858.) In 1852, the disability arising from interest, as a party or otherwise, was removed by the laws of the State,

and the right of a party to compel an adverse party to appear and testify was given. (*Laws of 1852, No. 13, §§ 1, 2; Rev. Laws Vt., secs. 1,001, 1,009.*) This did not remove or affect the incompetency arising from coverture. (*Seargent v. Seward, 21 Vt., 509; Cram v. Cram, 33 Vt., 15; Davis v. Davis, 48 Vt., 502.*) The inadmissibility of the testimony of a wife in several particular cases not like this was taken away by various statutes. (*Rev. Laws, sec. 1,005.*) In 1863, an Act was passed making both husband and wife competent witnesses in all actions, when they were properly joined either as plaintiffs or defendants. (*Laws of 1863, No. 14.*) When the statutes of the State were revised in 1880, these statutes relating to the testimony of wives were grouped together in a section removing the disqualifications of married women. (*Sec. 1,005.*) That part of the Act of 1863 taking away the disqualification of a husband was not carried into that section, nor into any other part of the Revised Laws. (*Simkins v. Eddie, 56 Vt., 612.*) Those laws repeal the Act of 1863, and there is no statute of the State left in force removing the disqualification of a husband, except in divorce cases. (*Rev. Laws, sec. 1,006.*) They stand as at common law, incompetent to testify for or against their wives, in ordinary civil cases. (*Wheeler v. Wheeler, 47 Vt., 637.*) A husband stands, under the laws of the State, as a wife would, if there was no statute removing her incompetency. She could not testify where her husband was a party in interest. (*Williams v. Baldwin, 7 Vt., 503; Carpenter v. Moore, 43 Vt., 392.*) In *Simkins v. Eddie, (supra,)* the husband was admitted to testify although the wife was a party, on the ground that he was the real party in interest and would testify for himself and not for her. In *Willey v. Hunter, (57 Vt., 479,)* the wife was not a party but was interested remotely, and the husband was held competent on the ground that she was not a party. His testimony would not be either for or against her in that suit, although it might affect her. Both these latter cases arose under the Revised Laws. Both go upon the ground that the husband could testify because the wife was not a

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party in interest, and recognize the doctrine that he could not testify if she should be a party in interest. As the law now stands, and as this case stands, it must be held that the husband is not a competent witness and is not compellable to testify.

Motion denied.

Chester W. Witters and *W. D. Wilson*, for the motion.

• *H. C. Adams*, opposed.

CLINTON G. COLGATE

vs.

THE WESTERN ELECTRIC MANUFACTURING COMPANY. IN
EQUITY.

Where a patent has been infringed by the sale of the patented article, the royalty paid for the right to use it is not evidence of the amount of damages from the sale.

Royalty paid for the whole monopoly of making and selling the article is not sufficient evidence of the value of the right to make occasional sales in a particular territory.

(Before WALLACE, J., Southern District of New York, July 20th, 1886.)

WALLACE, J. The master has awarded damages to the complainant, upon an accounting for the infringement of his patent for insulated wire, upon the basis of a royalty. The infringement by the defendant consisted in the sale of the article.

The proofs for the complainant may show that he has an established license fee for the use of his invention, but they

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wholly fail to show that he has any uniform established license fee for the right to sell the article. The complainant testifies, in general terms, that he has an established license fee, and grants licenses to sell his invention for a royalty of 10 *per cent.* upon the gross cost of the article sold; but he names as licensees several corporations, railroad and municipal, not manufacturers or trading concerns, whose operations may require them to use the invention; and, when he is pressed to produce documentary evidence, he presents agreements which are licenses to use the invention for specified purposes, with the exception of four. Two of the four are releases of past infringements.

Royalty paid by licensees for the right to use the invention is not evidence of damages sustained by the patentee by the sale of the patented article, sufficient to authorize a recovery. The value of some patents consists principally in the right to use the invention, the value of others in the right to sell; and infringement by selling and infringement by use of the patented article are essentially different invasions of the patentee's property.

The complainant's case consequently rests on the effect of the two remaining agreements introduced by him for the purpose of showing his established license fee for the right to sell under his patent. These are the agreements with the Bishop Gutta Percha Works and the Laflin & Rand Powder Company. The agreement with the Bishop Gutta Percha Works grants the exclusive right to manufacture and sell the patented article to that company, and contains a covenant not to sue purchasers from that company buying for certain specified uses of the invention; and, in consideration thereof, the company is to pay a royalty of 5 *per centum* of the gross price received from sales. This agreement was subsequently modified by adding a covenant not to sue purchasers from the company for certain other specified uses of the invention, and by increasing the royalty on the sales to purchasers for such uses to 10 *per cent.* of the gross price received by the company. The agreement with the Laflin & Rand Powder

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Company is a grant of the privilege to manufacture and sell the invention to purchasers for specified uses, with a covenant not to sue such purchasers, and the company agrees to pay a royalty of 10 *per centum* of the gross price of manufacture to the complainant, and an equal royalty to the Bishop Giant Powder Works, which company is a party to the agreement.

Royalty paid for the whole monopoly of selling and manufacturing under a patent is not sufficient evidence of the value of the right to make occasional sales in a particular territory. (*La Bar v. Hawkins*, 2 *Bann. & Ar.*, 561.) An exclusive licensee may well afford to pay a much larger consideration for the property right than the patentee could command from purchasers of a license to compete with other sellers. But, aside from this consideration, which is alone sufficient to deprive the agreement with the Bishop Gutta Percha Works of any weight as evidence of an established royalty, the agreement contains a covenant not to sue purchasers from the licensee. The agreement with the Laflin & Rand Powder Company contains a similar covenant upon the part of the complainant. Such a covenant operates, by way of estoppel, to license the purchaser to use the patented article. Both of these agreements are, therefore, equivalent to a license to sell and transfer to purchasers the right to use the invention for the purposes specified. Royalty paid for such an interest in the property right is not the criterion of the value of an ordinary selling right. The right to sell might be of insignificant value without such a covenant as is contained in these agreements. Ordinarily, it would only be a right to sell a lawsuit, or the limited privilege of selling to customers having a license to use the article. With such a covenant the value of the right is greatly enhanced, because the seller can transfer to the purchaser the privilege of using the invention.

There are other reasons why these two agreements fail to afford such evidence of a uniform established license fee as to entitle the complainant to the damages found by

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the master. It is not necessary for present purposes to suggest them.

The defendant's exceptions are sustained.

Betts, Atterbury & Betts, for the plaintiff.

George P. Barton, for the defendant.

JOHN SOULLY

vs.

CORNELIUS H. DELAMATER AND OTHERS.

The payment of a sum of money as damages for bad workmanship in repairing a boiler, held not to extend to damages for a distinct piece of bad workmanship done at the same time on the same boiler, which latter damages were not known or contemplated at the time.

(Before WHEELER, J., Southern District of New York, July 20th, 1886.)

WHEELER, J. The defendants repaired the crown-sheets of the furnaces to the boiler of the plaintiff's steam tug, by cutting out parts of the iron, and putting in new, and riveting the new parts to the old. After the work was done one of the joints leaked, and the boat was returned to the defendants' works several times, and the crown-sheets were caulked at that place. The defendants called on the plaintiff for the pay for the work; he claimed there should be a deduction for bad workmanship and loss of time of the tug in consequence. The sum of \$500 was deducted on that account, and he paid the balance. This action is brought to recover further damages for bad workmanship in making those repairs. The plaintiff's evidence tended to show, and was not much contradicted in this respect, that the holes in the new part did

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not fit those in the old for the rivets at one of the laps, and that some of the holes in the old were reamed out larger, to admit the rivets, and others made between in some places, and the rivets put in, making bad and dangerous work, which would be concealed by the lap and rivets and not readily discoverable; that there continued to be a leak at that place, and he took the boat to other works, where they tried to repair it, by caulking and otherwise, but failed to make the joint tight, and finally the furnaces were taken apart and these holes were discovered; and that he sustained large damages by the loss of the use of the tug while attempting to get it repaired before discovering these holes, and was put to large expense for those repairs. The defendants claimed that the payment of the \$500, for bad workmanship, by deducting it from the price of the work, was a full satisfaction of all damages for anything done about the work, and an absolute bar to the right of the plaintiff to recover, and requested that a verdict for the defendants be directed. The request to direct a verdict was refused, and the jury were instructed, in substance, that the payment of the \$500 was to be taken to have been a full settlement and payment of all damages which had resulted, or might result, from any fault of the defendants about the work, that the plaintiff then knew of, or, by reasonable diligence, might have known of at that time; but that, if the making these holes was a distinct piece of bad workmanship, that the plaintiff did not know of, and could not reasonably be expected to know of, at that time, and was not contemplated in making the settlement, and was not settled for, the plaintiff would be entitled to recover the reasonable expenses of endeavoring to repair the defect, as it was made to appear, and reasonable compensation for the loss of the use of the tug during the necessary time of making the endeavors, and for reasonable expenses of remedying the defect, when discovered. The jury returned a verdict for the plaintiff, and the defendants move for a new trial, on account of the refusal to direct a verdict and of this direction to the jury.

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There is no question but that, as claimed and argued for the defendants, the acceptance of the \$500 was a full settlement of all claim for any further damages for that for which it was paid and received, however great the damage might turn out to be, and however much it might extend beyond the expectation of the parties. The evidence of this settlement rested wholly in parol, and what was settled for was a matter of fact to be determined upon evidence. The parties settled what they agreed to settle. The plaintiff would have the right to expect that the work had been done in the usual manner, although defectively, and would not be bound to look for any injury to the structure of the furnaces, out of the common course. The jury have found, upon the evidence, that these holes were a distinct piece of bad workmanship, which the plaintiff did not know of and would not be expected to know of. The agreement to take the \$500 was an accord, because the minds of the parties met in accord. This thing was outside of what was in the contemplation of the plaintiff. It was not a mere consequence, not contemplated, of something that was in contemplation, but was itself a cause of damage wholly left out, with its consequences. None of the many cases which the diligence of the defendants' counsel has brought to notice go to show that such a cause of action itself, not known to exist at the time of a settlement, is brought into it by construction. In *Lee v. Lancashire Railway Co.*, (*L. R.*, 6 *Ch. App.*, 527,) a bill was brought to set aside a release of a claim for damages caused by an accident, and it was held, on appeal from Vice-Chancellor Malins, that the receipt could be rebutted by evidence that the plaintiff did not receive the money in full satisfaction of all demands, and that the case should be tried at law, and the bill be dismissed. On the trial at law, the question would be, as was submitted to the jury here, whether the demand in suit was one for which satisfaction had been received. In *Roberts v. Eastern Counties Railway Co.*, (1 *Fost. & Finl.*, 460,) the plaintiff was injured on the defendant's road, and his hat crushed, by being overturned in a car.

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He did not know of any injury beyond that to his hat, and accepted £2 for that, and gave a receipt, which was pleaded in bar to an action for the other injury. Lord Ch. J. Cockburn said: "It surely cannot be seriously urged that if the plaintiff has been seriously injured he is precluded from recovering because he agreed to accept £2 for his hat."

Although the defendants settled with and paid the plaintiff for all their bad work that he knew of, and could reasonably know of, they have not settled for this piece of bad work that he did not know of, and he appears to have properly recovered a verdict for that.

Motion for new trial overruled, stay of proceedings vacated, and judgment on verdict ordered.

Edward D. McCarthy, for the plaintiff.

Thomas Darlington, for the defendants.

GEORGE C. BALL vs. CHARLES M. CLARK.

A person who, as a broker and commission merchant, violates a contract to purchase, hold and carry grain for another, by selling the grain contrary to the contract, cannot recover his commissions and advances.

(Before COXE, J., Northern District of New York, July 29th, 1886.)

IN 1883, Melville S. Nichols, the plaintiff's assignor, was engaged in business as a broker and commission merchant, at the city of Chicago. During the months of April, May and June, Nichols made large purchases and sales of grain for the defendant. The agreement between the parties, as stated in the complaint, was as follows: "The said property was so bought and sold for the defendant by said Nichols for profit and speculation on the part of the defendant, and the course and manner of the transaction of the business, which

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was known to, understood by and agreed upon by the parties, was as follows: The said defendant agreed to pay one-fourth of a cent per bushel as commission for the purchase of wheat and corn. The said Nichols was to purchase, hold and carry said property for the defendant and sell the same for him and on his account, subject to the rules, regulations and customs of the Chicago Board of Trade, which entered into and formed part of the agreement. The defendant was to furnish to said Nichols, on demand, from time to time, such sums of money, as margins, as became necessary, or might be required, to enable him to hold and carry said property, and to protect and secure him from loss by reason of any decline, depreciation or fluctuation in the market, and to pay commissions." The defendant denied that Nichols performed this agreement on his part and alleged, on the contrary, that, without making a demand for additional margins, and without notice to the defendant of any kind, Nichols, in violation of his contract, and against the defendant's wishes, closed out all the property which he held for the defendant.

The proof showed, that, on the 19th of June, 1883, Nichols, being then upon the point of failure, sold, without notice or demand for margins, all the grain held by him for the defendant, thus causing the balance against the defendant for which Nichols sought to recover in this action. Nichols insisted that the sale took place after a demand for additional margins had been made and refused. The defendant denied that any demand had been made which was not complied with.

The question submitted to the jury, therefore, was, whether the sale upon the 19th of June was authorized or not. The jury found that it was unauthorized, that it was made in violation of the agreement between the parties, without notice, and without a demand for margins. The verdict was for the defendant. The plaintiff requested the Court to instruct the jury, that, even though the sale was made without authority, the plaintiff could recover his commissions and ad-

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vances, subject to recoupment by the defendant of any damages sustained by reason of the unauthorized sale. This request was declined and the plaintiff excepted. Insisting that this refusal was error, the plaintiff moved to set aside the verdict, upon the ground that it was inconsequential, and that the plaintiff, notwithstanding the finding of the jury, was entitled to recover.

D. O'Brien and James A. Ward, for the plaintiff.

John C. McCartin and W. M. Rogers, for the defendant.

COXE, J. For the purposes of this motion the facts found by the jury must be taken as established. This is conceded. The sale by Nichols of defendant's property amounted to a conversion. The question briefly stated, then, is this: Can a party recover upon a contract which he himself has violated? To this question it would seem that a negative answer is alone possible. The plaintiff, however, argues, that the contract in question is not an entirety; that it is capable of separation; that the condition which Nichols violated was not a condition precedent, but a condition subsequent; and that, therefore, the plaintiff is entitled to recover, subject to defendant's right to recoup his damages. It is admitted, that, if the provision violated by Nichols is a condition precedent, the plaintiff cannot recover.

The action is not to recover the purchase-price of the grain, but is based upon a contract, specifically stated in the complaint, by the terms of which Nichols agreed "to purchase, hold and carry the property for the defendant." He covenanted to perform all of these stipulations. Can he recover by proving that he performed but one?

The defendant agreed to pay for losses made in pursuance of the agreement, not in violation thereof. As was stated by Judge Denio, in *Tipton v. Feitner*, (20 N. Y., 423, 425,) "If the parties have in terms stipulated that the defendant's performance shall be dependent or conditional upon

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something to be done by the plaintiff, the case is a plain one."

Here, the parties stipulated that the property should be purchased and held by Nichols for the defendant and sold for him on his account. When Nichols performed these conditions his right to recover any balance, his due, was perfect, but how he can succeed upon the theory that the action is maintainable upon proof of the purchase alone it is not easy to perceive. If a party employs an agent to purchase and hold property for a month, and the agent purchases as directed, but sells the next day at a sacrifice, he is hardly in position to call upon his employer to make good the loss.

No controlling precedent has been produced ; the precise question involved does not appear to have been passed upon by this Court or the Supreme Court. The authorities referred to in the plaintiff's brief, and many others of this and other States, have, however, been examined with care. The law is by no means well settled. Many conflicting theories are advanced, and often the same result is reached by learned judges, though by a very different process of reasoning. Although it is freely conceded that the main proposition advanced by the plaintiff is fully sustained by a number of these authorities, I cannot doubt that the defendant's position is upheld by the strongest and most consistent arguments. I am constrained to hold, therefore, that, the plaintiff's assignor having failed to perform the agreement upon which this action is based, the plaintiff is not entitled to recover.

The motion is denied.

Lautz v. Gordon.

J. ADAM LAUTZ AND OTHERS

vs.

WILLIAM J. M. GORDON. IN EQUITY.

A bill in equity being filed to restrain the violation of an agreement, the defendant filed a cross-bill to have the agreement adjudged void, for fraudulent representations by the original plaintiff, and to recover damages. On a demurrer to the cross-bill: *Held*, that such damages could be recovered at law, and that the matter tending to nullify the agreement could be availed of by answer to the original bill.

(Before WALLACE, J., Northern District of New York, July 31st, 1886.)

WALLACE, J. The demurrer to the cross-bill proceeds upon the ground that the facts alleged do not entitle the complainants in the cross-bill to any equitable relief, but are simply such as to authorize a recovery of damages, for which there is an adequate remedy at law.

The original bill was filed, as appears by the averments of the cross-bill, to restrain these complainants from violating the covenants of an agreement between the parties, by which the present complainants undertook to operate certain patented apparatus and appliances in connection with their soap factory for the period of ten years, and deliver to the defendant the product, and not to use any other process for extracting glycerine in their soap factory.

The cross-bill alleges, in substance, that the complainants were induced to enter into the agreement by fraudulent representations on the part of the defendant respecting the merits of the appliances; that they have suffered great loss and damage by reason thereof, in their manufacture of soap; and that their sales have been largely diminished by reason of the inferior quality of the soap produced by the patented appliances. The prayer for relief is, that the contract be adjudged fraudulent and that the complainants recover the

damages, to be ascertained upon an accounting, which they have sustained by the use of the patented appliances.

The demurrer is well taken. A demurrer for want of equity will not generally hold to a cross-bill filed by the defendant in a suit, against the complainant, touching the same matter. Being drawn into the Court by the complainant in the original bill, he may avail himself of the assistance of the Court without being put to show a ground of equity to support its jurisdiction; a cross-bill being generally considered as a defence. (*Mitford & Tyler, Eq.*, 298; *Story, Eq. Pl., sec.* 399.) But, when the defendant seeks for affirmative relief, he is limited to equitable relief only, and to this extent the cross-bill is of the nature of an original bill seeking further aid from the Court.

The equitable relief sought by the present cross-bill is founded upon a cause of action quite distinct from that set forth in the original bill. The original bill proceeds upon the theory that the covenants in the agreement are of such a nature that their breach cannot be reparably redressed by damages, in an action at law. This is, of necessity, the only ground upon which equitable jurisdiction could be invoked. If the cross-bill were one to recover damages for the breach of those same covenants, there would be no fair room to doubt that the defendants, by a demurrer, could not challenge its sufficiency for want of equity. But it alleges facts which give only the common action of deceit, without anything to show any unusual complexity in the case, respecting the damages sustained.

Treating the cross-bill as an original bill, a Court of equity would refuse to exercise jurisdiction, because the complainants have a full, adequate and complete remedy at law. (*Ambler v. Choteau*, 107 U. S., 586; *Woodman v. Freeman*, 25 Maine, 531; *Boardman v. Jackson*, 119 Mass., 161; *Newham v. May*, 13 Price, 749, 752.) The general proposition, that equity has always jurisdiction of fraud, misrepresentation and concealment is a familiar one; but the exercise of the jurisdiction is refused where the remedy at law is, in all

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respects, as satisfactory as the relief which could be furnished by a Court of equity.

If the cross-bill sought equitable relief, such as the cancellation and delivery up of the agreement, it might perhaps be sustained. (See *Cooper, Eq. Pl.*, 85, 86; *Hilton v. Barrow*, 1 *Ves. Jr.*, 284; *Dan. Ch. Pr.*, 1st *Am. ed.*, 1,744.) As it is, all the matter tending to defeat or nullify the agreement may be availed of by answer to the original bill. A decree for the defendants on that ground will adjudicate the question of fraud, and leave only the question of damages to be determined at law.

The demurrer is sustained.

Sprague, Morey & Sprague, for the plaintiffs.

Theodore Bacon, for the defendant.

CHESTER W. WITTERS, RECEIVER OF THE FIRST NATIONAL
BANK OF ST. ALBANS

vs.

EDWARD A. SOWLES, EXECUTOR OF HIRAM BELLOWES, MARGARET B. SOWLES, AND OTHERS. IN EQUITY.

In a suit in equity, in Vermont, a married woman, defendant, is a competent witness for the plaintiff, although her husband is also a defendant; and, the bill being filed to reach assets of the estate of a testator, to pay an assessment on shares held by him in a national bank, she can be compelled to testify as to assets of the estate which she received, under the will of the testator, from her husband as executor.

(Before WHEELER, J., Vermont, August 7th, 1886.)

WHEELER, J. The orator has called the defendant Margaret B. Sowles, as a witness, who is made fully competent by statute, notwithstanding that her husband is a party. (*Rev. Stat. U. S.*, sec. 858; *Rev. Laws Vt.*, sec. 1,005; *Witters v.*

Sowles, ante, p. 72.) As such witness, she has been called upon to testify as to the assets of the estate which have come from her husband, as executor of the will of Hiram Bellows, to her hands, either as residuary legatee or as trustee for her daughter, Susan Bellows Sowles, or as general or specific legatee, in her own right. She has declined, upon the ground that such disclosure of the assets is not material to any issue in the case, for the purposes of a decree. The scope of the bill is, however, broad enough to reach any of the assets of the estate, wherever they are. Thirty shares of the stock of the bank stand in the name of the executor, on the books of the bank. The assets of the estate, wherever they may be, are apparently liable for the assessment on these shares, amounting to three thousand dollars. The bill is drawn in the aspect that the other four hundred shares belonging to the testator in his lifetime really belong to the executor yet, so that he is the shareholder in fact. Whether this is so or not is yet an open question. If it turns out to be so, then the assets may be followed for the assessment on those shares, which amounts to forty thousand dollars more. The orator is entitled to take testimony as to the situation of the assets, in view of the contingency that they may be wanted for that. Therefore, this testimony which he seeks is material, and she has no right to refuse to answer on the ground that it is immaterial. He has a right to full disclosure as to the assets, and to have them produced, in case they are within reach, for identification and for the purpose of showing how and by whom they are held.

It is ordered, therefore, that the witness make full answer as to the assets, and produce them, as far as practicable, for identification.

Chester W. Witters, for the orator.

H. C. Adams, for the defendant.

The Fifth National Bank v. The New York Elevated Railroad Company.

THE FIFTH NATIONAL BANK*vs.***THE NEW YORK ELEVATED RAILROAD COMPANY.**

In an action at law, in New York, to recover damages for injury to the use of a building as a bank, in the city of New York, by the erection of the track and station house of an elevated railroad in front of it, after evidence of damage to the plaintiff to the time of trial had been admitted without objection, it was held proper, under the special circumstances of the case, to submit to the jury the right to recover to that time.

It was proper to submit to the jury the question as to how much less the use of that part of the building which was occupied by the bank for banking purposes was worth on account of the defendant's structure.

It was not error to exclude evidence to show, that if the buildings on the opposite side of the street were raised as high as the law would allow, the defendant's structure would be in their shadow during all the time the plaintiff's building is in its shadow, so that the defendant's structure would not intercept any direct rays of the sun towards the plaintiff's building.

It was not error to exclude evidence to show that the general value of the plaintiff's building was increased by the building of the defendant's road.

The principles laid down in *Story v. New York Elevated Railroad Co.*, (90 N. Y., 122,) applied.

(Before WHEELER, J., Southern District of New York, August 10th, 1886.)

WHEELER, J. This is an action to recover damages for the erection of the defendant's railroad track and station house in front of the plaintiff's banking house, at the corner of 23d St. and 3d Avenue, in the city of New York. It has been once before tried, with a verdict for the plaintiff, which was set aside and a new trial granted. (24 *Fed. Rep.*, 114.) It has now been heard on a motion by the defendant for a new trial, for alleged errors in law occurring on the second trial.

The first ground urged for granting the motion is, that it was error to admit evidence of damage to the plaintiff accruing after the commencement of the action. This evidence

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was admitted without objection. The defendant reserved no question about it until the evidence was all in and the charge to the jury was reached. Then the court charged the jury, that if the plaintiff was entitled to recover damages for the erection of the tracks and station house in the street in front of the bank building, it would be entitled to recover the amount shown by the evidence down to the time of trial. To this part of the charge the defendant excepted, and the correctness of it is a question in the case. The plaintiff's right of recovery was strictly and carefully limited to damages caused by the structure itself as it was originally constructed, and nothing was allowed in addition for the consequences of the use of it for the running of trains, or anything done from day to day. It was all directly connected with the first wrong. By section 544 of the Code of Procedure of New York, under which this action was brought, it is provided that the Court may, and in a proper case must, permit a supplemental complaint, answer, or reply, alleging material facts which have occurred after a former pleading, which, of course, would be after suit brought. In section 539 it is enacted, that a variance between pleadings and proof is not material unless it has actually misled the adverse party; and, by section 540, that, where the variance is not material, as prescribed in section 539, the Court may direct the fact to be found according to the evidence. If the continuance of the structure after the commencement of the action by the summons, or after the filing of the complaint, was material to a recovery for its continuance, it would seem that it could have been brought in by amendment, under section 544. There was no claim that the defendant was misled by this evidence; the evidence on its part, as well as that on the part of the plaintiff, covered the whole time, and there was no ground for such claim. The evidence was in the case, and, as there might have been pleadings which would have made it admissible, if not admissible without more, the variance between it and the actual pleadings was immaterial, within the provisions of section 540. The Court was therefore permitted by that sec-

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tion to do what was done, and what was excepted to, namely, to direct the fact to be found according to the evidence; and it would appear to be improper not to either do that or order an immediate amendment. (*New York Mutual Life Insurance Co. v. Armstrong*, 117 U. S., 591.) And this works no wrong to the defendant, if the claim for damages prior to the commencement of the action was properly tried, for there was no difference between what occurred before and what occurred after, either upon the evidence or the manner of submitting it to the jury. The recovery here will be a bar to any other action for what is embraced within this recovery. (*Windmuller v. Robertson*, 23 Blatchf. C. C. R., 233; *Fowle v. New Haven & Northampton Co.*, 112 Mass., 334, 338.) A new trial for this would not give the defendant the benefit of any different principles as to its liability, but would merely give it another chance before a jury, which of course, it should have if entitled to it, but otherwise not. These considerations make it unnecessary to consider whether, in a case like this, where what was done was done wholly outside the plaintiff's premises, and was completed before the commencement of the suit, the recovery should be to the time of trial or only to the commencement of the action. There are many cases where the question was whether the damages for the permanent injury to the property, as if the nuisance should always remain, were recoverable or not; but this precise question does not appear to have been often decided, and is not free from difficulty. (*Everson v. Powers*, 89 N. Y., 527; *Backhouse v. Bonomi*, 9 H. of L. Cas., 503; *Fowle v. New Haven & Northampton Co.*, 112 Mass., 334, 338; *Mayne on Dam.*, 59 to 64; *Uline v. New York Central & Hudson River Railroad Co.*, 101 N. Y., 98.)

The next question is as to the right of the plaintiff to recover for the injury to that part of the building occupied by itself for banking purposes. It is argued, that the inconveniences were to the persons employed and not to the plaintiff bank, as such. The Court, in substance, submitted it to the jury to find how much less the use of this part

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of the building was worth, as a bank, on account of this structure. This seems to be covered by *Baltimore & Potomac Railroad Co. v. Fifth Baptist Church*, (108 U. S., 317,) where it was held, that a religious corporation was entitled to recover damages for interference with its comfortable enjoyment of its house of worship. It is said, in argument, that no damages were proved except as to additional cost of gas, in this respect. But the situation of the plaintiff was shown and what was done by the defendant, from which it was competent for the jury to infer the damages. It is not claimed that they were led by partiality, passion or prejudice about this.

The next question is as to the exclusion of evidence to show that if the buildings on the opposite side of 3d Avenue were raised as high as the law and ordinances of the city allow, the defendant's structure would be in their shadow during all the time that the plaintiff's building is in its shadow, so that it would not intercept any direct rays of the sun towards that building. The admissibility of this evidence rests upon the claim, that, because others have a right to do what would shade the plaintiff's building, the defendant is not liable for shading it to the extent of that right. The defendant, however, does not have, or stand at all upon, the rights of these other persons. The buildings were not raised to that height, and the plaintiff would have enjoyed the light which the defendant's structure did intercept but for that structure which the defendant, as against the plaintiff, had no right to erect. There is no ownership in light itself, as it is diffused, and the jury has not awarded anything to the plaintiffs for what belonged to any one else; this evidence would not have shown that the injury was to others and not to the plaintiff.

The next question is as to the admissibility of evidence to show that the general value of the plaintiff's building was increased by the building of the defendant's road. The injury to the permanent value of the building was not on trial. The question submitted to the jury was as to the injury to

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the use of the building during the time in question. No evidence offered bearing upon that question was excluded. The evidence on both sides was full as to the value of the use without the road there, in comparison with that value with the road there; as to that value before the road was built and after the road was built.

Finally, the defendant claims that a verdict should have been directed for the defendant. The case has not been allowed to go beyond, if it has not been narrowed within, the principles laid down by the majority of the Court in *Story v. New York Elevated Railroad Co.*, (90 N. Y., 122.) That case has controlled this as to the extent of the plaintiff's rights and of the defendant's liabilities.

Motion for new trial overruled, stay of proceedings vacated, and judgment to be entered on the verdict.

W. F. McRae and *W. H. Arnoux*, for the plaintiff.

Henry H. Anderson, for the defendant.

PATRICK MASON vs. THE EDISON MACHINE WORKS.

An employer is liable for a wrongful act done by an employé by virtue of an authority which the employer has conferred, even when done to an employé in the same employment.

(Before WHEELER, J., Southern District of New York, August 10th, 1886.)

WHEELER, J. The defendant is a corporation and has a factory where dynamo engines are made and shipped. James Martin was foreman of common laborers employed there in handling and moving heavy parts of the machinery, and had full control over them for that purpose, and hired and discharged them, subject to the approval of the superintendent.

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He hired the plaintiff to work there as such laborer. While the plaintiff was employed there he and six other laborers, by direction of Martin, took a bed-plate of an engine, nine or ten feet long, about three and a half feet wide, and three inches thick, and weighing about fifteen hundred pounds, set it on edge, and rolled it under a hoisting apparatus, for the purpose of raising it to put a truck under it. While they were holding it in that position, Martin called away four of them, and then two, and left the plaintiff to hold it alone. It turned over on to the plaintiff, and broke one bone of one of his legs, and otherwise injured him. This action is brought to recover damages for this injury. On the trial, the plaintiff's testimony tended to show that at least four men were necessary to hold the bed-plate when Martin ordered the last two away; that it got the advantage of him, so that he could not escape; and that he called for help but no one came, and it fell upon him without his fault. The defendant's testimony tended to show that the sling for raising it had been put on and it had been raised so that one could hold it safely when the men were called away, and that the plaintiff might have got out of the way when it came over, and was injured by his own fault. The defendant moved for a verdict on the ground that Martin and the plaintiff were fellow servants, and that the defendant was not liable for anything done by Martin in the course of their employment. The Court denied this motion and charged the jury, in substance, that if Martin, by virtue of the authority to control the men, conferred upon him by the defendant, directed them to leave the plaintiff in a dangerous position with reference to the bed-plate, where he could not control it, and they did so leave him in obedience to his commands, and, by means of their leaving him, it came down upon him and injured him without his fault, the defendant would be liable for the injury, although not liable for anything Martin might have done as a workman at work with the plaintiff, as he and other workmen worked together. The case has now been heard on a motion for a new trial on account of the refusal to direct a

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verdict for the defendant, and of the instruction that the defendant might be held liable for what was done by direction of Martin.

The decided cases bearing upon this subject have been thoroughly presented and discussed upon the argument of this motion, and particularly those made by the Courts of the State of New York. There does not appear to be any statute of that State upon the subject, however, and this question is to be decided upon the principles of general law, as to which the decisions of the State Courts are not controlling, although, of course, entitled to great weight. (*Hough v. Railway Co.*, 100 *U. S.*, 213.) The decisions of the Supreme Court of the United States are, of course, absolutely controlling here, so far as they have gone. In *Railroad Co. v. Fort*, (17 *Wall.*, 553,) the defendant was held liable for the direction of a person in control of a boy, both in its employ, in sending him into a dangerous place, where he was hurt. In *Armour v. Hahn*, (111 *U. S.*, 313,) the plaintiff was injured while at work, under direction of the defendant's foreman, in a dangerous place, but in consequence of the negligence of other workmen in the same employ, and not in consequence of any direction given by the foreman, and the defendant was not held liable. In *Railway Co. v. Ross*, (112 *U. S.*, 377,) the conductor in control of the movements of a train negligently took it into a dangerous place, where the engineer was injured by its meeting another train which should have been avoided, and the railway company, the common employer of both, was held liable for this negligent act of the conductor. From these cases it seems to appear, that an employer is liable for a wrongful act done by one of its employés by virtue of an authority which the employer has conferred, even when done to another employé in the same employment.

It has been argued, with much plausibility, by the counsel for the defendant, that the employer had discharged its duty by employing a competent foreman. But in those cases there was no evidence that the persons in authority were not generally competent to exercise it, and the cases do not at all

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appear to have been made to depend upon whether they were or not. Those intrusting authority to control others were held responsible for the manner of its exercise in each particular case; if it was abused, those conferring it were holden for the abuse. In this case, as was conceded, Martin was authorized by the defendant to direct and control the movements of the men. The exercise of this authority, as the jury have found, left the plaintiff in a dangerous place, to his injury. In this exercise, Martin represented the defendant and not himself alone.

It is here again likewise argued, that the liability of the defendant should be the same as if the men had left the plaintiff in the situation in which he was of their own accord, or as if Martin had been one of the workmen who had hold of the bed-plate and had let go too soon. But the men left in obedience to Martin's command and not of their own accord; and Martin gave the command not as a workman but as a superior, as the jury have also found. The plaintiff would have the right to expect that an adequate number of men would be provided for the safe handling of such a body. If they were not provided he could refuse to proceed without them. He would also have the right to expect that their assistance would be continued until it could be safely dispensed with. It was taken away by authority from the defendant, when it could not be done without danger to him, and when he had no choice by which he could protect himself. By the command of the superior, the boy in *Railroad Co. v. Fort* was sent into danger, without intelligent choice; by negligent control the engineer was brought into danger, without opportunity for choice, in *Railway Co. v. Ross*; the plaintiff was left in danger by command of a superior, without any chance to protect himself. The decisions in those cases appear to entitle the plaintiff, on the findings of the jury, to recover in this.

Motion overruled, stay vacated, and judgment on the verdict ordered.

Herman H. Shook, for the plaintiff.

John C. Tomlinson, for the defendant.

Clarke v. Shaw.

THOMAS W. CLARKE

vs.

AI B. SHAW (WILLIAM W. HENRY, TRUSTEE).

Money in the hands of the marshal of the United States in Vermont, collected by him on an execution issued out of the Circuit Court of the United States in favor of a defendant, cannot be attached by trustee process in a suit against such defendant.

(Before WHEELER, J., Vermont, August 14th, 1886.)

WHEELER, J. The trustee, as marshal of this District, has \$884.98 in his hands, which he has collected on an execution issued out of this Court in favor of this defendant. The statutes of the State provide that "a person having goods, effects or credits of the defendant intrusted or deposited in his hands or possession," may be summoned as a trustee, and that "such goods, effects and credits shall thereby be attached and held to respond to the final judgment in the suit." (*Revised Laws, sec. 1,068.*) The marshal has been summoned as trustee of the defendant, in this suit, commenced in a Court of the State, to attach and hold the money so collected under that statute, and the suit has been removed into this Court. The question now is, whether this money in the hands of the marshal can now be held in that manner. It is held by the highest Courts of the State, that money collected by a sheriff on execution may be attached by such trustee process. (*Hurlburt v. Hicks*, 17 Vt., 193; *Lovejoy v. Lee*, 35 Vt., 430; *Adams v. Lane*, 38 Vt., 640.) The contrary was held in *Turner v. Fendall*, (1 Cranch, 117;) and in *Wilder v. Bailey*, (3 Mass., 289.) It is argued with plausibility, in behalf of the plaintiff, that this proceeding rests on a statute of the State, and that the construction of the statute by the highest Court of the State should govern. This argument is well founded, so far as the proceeding rests upon the statute

of the State. But this money is held by the trustee as marshal, under and by virtue of the laws and authority of the United States. The manner of the holding is to be determined upon those laws and the effect of the proceedings under them which have resulted in the collection of the money by the marshal. The question, is whether the money, when collected, is so held by the marshal as to come within the operation of this statute of the State. It is not claimed or doubted but that a marshal holding specific property in his hands by virtue of the process of a Court, so holds it that it cannot be interfered with by any other officer or process. (*Freeman v. Howe*, 24 How., 450; *Lammon v. Feusier*, 111 U. S., 17; *Covell v. Heyman*, 111 U. S., 176.) It is argued that this does not apply to money collected on execution. But the marshal is subject to the control of the Court, as to any property or money in his hands by virtue of the process of the Court, so long as he holds it, to be exercised on behalf of any party interested in it, on proper proceedings instituted for that purpose, to prevent abuse or perversion of the process and to insure due execution of it. (*Van Norden v. Morton*, 99 U. S., 378; *Krippendorf v. Hyde*, 110 U. S., 276.) This control would be lost if he could be compelled to take the property or money before any other Court and submit it to judgment there. Money so held by him under the control of the Court is not intrusted or deposited with him, or in his hands, within the meaning of that statute. It is still in the custody of the law. It is not subject to attachment any more than money in the hands of a disbursing officer of the Government to be paid over to an employé would be, (*Buchanan v. Alexander*, 4 How., 20;) or a dividend in the hands of an assignee in bankruptcy for a creditor would be. (*Gilbert v. Lynch*, 17 Blatchf. C. C. R., 402.)

Trustee discharged, with costs.

Guy C. Noble, for the plaintiff.

Dudley C. Denison and *Joseph D. Denison*, for the trustee.

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The defence of inevitable accident, set up as the cause of a collision, implies that the accident was not avoidable by the exercise of all reasonable precautions adequate to the emergency, and of that degree of care and vigilance which would have been adopted by prudent navigators under the same circumstances.

In a collision in the Atlantic Ocean, between a steamer and a schooner, the steamer was held in fault for going in a fog at a speed of about 7 knots an hour; and the schooner for having on deck but two men, one at the wheel and the other acting as a lookout and blowing the fog horn.

The District Court having divided the damages, and both parties having appealed, and the decree being affirmed by the Circuit Court, the costs of that Court were not awarded to either party.

(Before WALLACE, J., Southern District of New York, August 27th, 1886.)

THIS was a libel *in rem*, filed in the District Court, by the owners of the schooner Lizzie Thompson, against the steamer Nacoochee, to recover damages for the loss of the schooner, caused by a collision between her and the steamer. The District Court held both vessels in fault, and awarded to the schooner one half of her damages. (22 *Fed. Rep.*, 855.) Both parties appealed to this Court. This Court found the following facts:

“1. The steamship Nacoochee, belonging to the claimants, is a propeller of about 3,000 tons burden, and about 310 feet long. Her propeller is a right-handed propeller, and her engines are compound, and reversed by steam, and can be so reversed in 12 seconds. At full speed her propeller makes 62 revolutions a minute, and the speed attained is between 13 and 14 knots an hour. When running at half speed she would forge ahead 600 to 800 feet after reversing her engines, before beginning to go backwards.

2. On the 16th of April, 1883, she was bound on her regular voyage from Savannah, Georgia, to the city of New York. She was in all respects in good order, well and sufficiently equipped, and manned with competent officers and

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men, and was blowing her fog whistle at least once a minute. The wind was moderate and the sea calm, but a dense fog hung low down over the water. At about half past one or two o'clock in the afternoon of that day, as she was on her usual course, north half-east, off Cape May, about 10 miles to the southeast of the Five Fathom Lightship Proper, and going at half speed, between six and seven knots an hour, and making 30 revolutions of the propeller to the minute, she overhauled and sighted the schooner Lizzie Thompson, and passed to the eastward of her, at a distance of about two or three hundred yards. The Lizzie Thompson, owned by the libellants, was a fishing schooner, returning from the fishing-grounds, with a full fare of fish, and bound for New York, having on board sixteen men at the time the Nacoochee passed her. She was going about four knots an hour, with all sails set, upon a course of north-northeast, with the wind south-southeast, blowing at the rate of 8 to 10 miles an hour. But two men were on the schooner's deck, A. J. Small, one of them, acting as a lookout and blowing the fog horn, and Samuel Kimball, aged twenty, at the wheel. The other fourteen men were all below deck.

3. At this time, when the Nacoochee was passing the Lizzie Thompson, the fog horn of the schooner was heard upon the steamer, and the steamer's whistle was heard by those on the schooner. Most of the schooner's crew came on deck and saw the steamer till she disappeared ahead in the fog, and then went below. The steamer continued her course north half-east until those on board heard what they supposed to be cries of distress on their starboard beam. This was about half-past two o'clock. These cries were heard by the captain and others on board the steamer. After some conference with respect to these cries, and several persons agreeing as to their apparent character, the steamer's helm was put hard to port, and she swung around until she headed a south-southeast course, when her helm was steadied. Very soon afterwards, the schooner Lizzie Thompson was suddenly

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sighted, looming up in the fog on the steamer's starboard bow, about 500 feet away.

4. The captain of the steamer immediately ordered the engines reversed full speed astern, which orders were immediately obeyed and put into execution within about 12 seconds. But a collision occurred between her and the Lizzie Thompson, the schooner's port quarter aft of the main chains and about ten feet from the taffrail colliding with the bow of the Nacoochee, which penetrated two or three feet into the schooner, causing the schooner to sink in a very few moments. All her crew were saved and taken on board the steamer, which then resumed her former course, north half-east, and pursued her way to New York, arriving there the next morning.

5. The Lizzie Thompson had continued on her course of north-northeast, after the steamer had passed her for the first time, without change, up to the moment of collision. The fog continued, and was dense, and the same men were on deck, Samuel Kimball at the wheel, and A. J. Small on the watch and blowing the horn, and all the others were below deck, including her captain, sitting around. All the sails were set, and she was sailing at the rate of about four miles an hour.

6. Just before the collision, lookout Small on the schooner's deck saw the steamer appearing through the fog, and bearing down on them, on their port side, about 400 to 500 feet off. He then shouted, "A steamer is coming into us," and the men below then came up on deck. Florence McKown, her captain, who sat in the cabin, when he heard the watch sing out, "A steamer is coming into us," told the man at the wheel to keep his course, and jumped on deck, and saw the steamer approaching on the port quarter. No change was made in the schooner's helm, and she continued her north-northeast course up to the very moment of collision.

7. After the steamer had turned to go to the supposed cries of distress, the captain took his position in front of the pilot house. A seaman, Andrew Johnson, was on the look-

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out, standing right up forward as far as he could get. The second officer was on watch in the pilot house and the quartermaster was at the wheel. All of them heard the fog horn of the schooner and immediately after saw the schooner appearing through the fog off on the starboard bow, about 500 feet away. The captain gave his orders to back full speed astern, and took his position at the stem of the steamer, and called out to those on board the schooner, "Port the helm."

8. When a screw vessel like the Nacoochee is going through the water at the rate of six miles an hour, and the engines are reversed "full speed astern," porting the helm or starboarding the helm has no effect at all on the vessel, while she is still going ahead. The Nacoochee had not attained backward motion when she struck the schooner.

9. Immediately before the collision the two vessels did not sight each other through the fog at the same moment, but the Nacoochee first sighted the Lizzie Thompson when the latter was about 500 feet distant, and the Lizzie Thompson first sighted the Nacoochee when about 400 to 500 feet distant."

On these facts, this Court found the following conclusions of law :

"1. The Nacoochee was in fault, contributing to this collision, for not going at moderate speed in a fog.

2. The schooner was in fault in this respect, namely, that she was sailing too short-handed in the fog, and was guilty of negligent navigation in having but one man forward, charged with the double duties of a lookout and blowing the horn, and one man astern, who was a youth of 20, only at the wheel, all the other fourteen men, including the captain, being below deck.

3. The decree of the District Court is affirmed, without costs of this Court to either party."

Wilhelmus Mynderse, for the libellants.

John E. Ward, for the claimant.

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WALLACE, J. The steamship Nacoochee, while on her voyage from Savannah to the city of New York, upon a course north half-east, off Cape May, about 1.30 p. m. of April 16th, 1883, during a fog, passed the schooner Lizzie Thompson, bound in the same direction. The schooner was on the port side of the steamship, and, seen through the fog, was apparently on a parallel course, and about 200 yards away, but she was in fact on a north-northeast course, so that the steamship subsequently passed across the schooner's bow, at a time when the two vessels were not visible to each other. About half an hour later those on board the steamer heard, or supposed they heard, cries of distress abeam to the starboard, and, after consultation between the officers, the steamer was turned about until she was steadied on a course of about south-southeast, and proceeded at half speed, seeking to discover and succor those supposed to be in distress. While thus proceeding, a fog horn was heard off her starboard bow, and immediately the sails of a vessel, which proved to be the Lizzie Thompson, appeared indistinctly through the fog, on the starboard bow of the steamer, and the vessel was seen to be sailing across her bow, on a converging course. At this time a competent lookout was on the stem of the steamer; the captain was on deck between the pilot house and the stem, (the pilot house being just abaft the foremast;) the second officer was on watch in the pilot house; and the quartermaster was at the wheel; and all of them were trying to discover the object of their search. All of them heard the fog horn of the schooner and saw her sails appear in view about the same time. The captain immediately ordered the engines reversed full speed astern; the order was promptly obeyed; the captain called to those on the schooner to put her helm hard aport, but the schooner kept her course; and, before the steamer had fully stopped going ahead through the water, the vessels came into collision. The bow of the steamer struck the schooner's port quarter aft of the main chains, a few feet from the taffrail, and penetrated two or three feet into her. The schooner sank in a few minutes, and her crew escaped by the boats and were

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taken on board the steamer. The Nacoochee was a right-handed propeller, of about 3,000 tons burden, and about 300 feet in length. She had compound engines reversible by steam in about 12 seconds. Her ordinary full speed was about 14 knots an hour, at 62 revolutions of her propeller per minute. When the order to reverse was given she was running at 30 revolutions. When running at half speed she would forge ahead 600 to 800 feet, after reversing her engines, before beginning to go backwards. The schooner Lizzie Thompson was returning, bound for New York city, from a fishing cruise, with a catch of mackerel, having on board 16 men. She was of 73 tons burden. When she was overtaken and passed by the steamer she was on a course north-northeast. The wind was south-southeast, blowing at the rate of 8 to 10 miles an hour, and she was going about four knots an hour, with all sails set. She kept her course and speed to the time of the collision. Prior to the collision the only men on deck were two, a lookout forward who was also engaged in blowing a fog horn, and a young man (aged 20) at the wheel. All the rest of the men, including the captain, were below. The lookout discovered the steamer at the same time those on the steamer discovered the schooner. He immediately gave the alarm; those below rushed on deck; a collision seemed to be inevitable; and all hands occupied themselves in trying to get off the boats and dory. Each vessel sounded the proper fog signals from the time the steamer first saw the schooner, but after the steamer had passed the schooner those on either vessel did not hear the signals of the other until those on the steamer heard the fog horn of the schooner immediately prior to the collision. At the time just prior to the collision, the schooner, when first discovered by the steamer, was about 500 or 600 feet away. The lookout on the schooner did not discover the steamer quite as soon as those on the steamer discovered the schooner.

Although the Nacoochee, in deviating from her voyage, in the effort to render assistance to those she supposed were in distress, was engaged in a most laudable duty, she was not

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absolved from the obligation of keeping out of the way of the schooner, so far as this was practicable by the exercise of all reasonable care. She was not justified, although performing a salvage service of the highest order of merit, in unnecessarily imperilling the lives and property of others. Assuming that the schooner obeyed the rules of navigation, it devolves upon the steamer to establish the defence of inevitable accident. (*The Carroll*, 8 Wall., 302; *The Scotia*, 14 Wall., 170; *The Colorado*, 91 U. S., 692.) That defence implies that the accident was not avoidable by the exercise of all reasonable precautions adequate to the emergency; not that the collision was one which might have been obviated by using extraordinary skill and extraordinary diligence, but that it could not have been by the exercise of that degree of care and vigilance which would have been adopted by prudent navigators under the same circumstances.

Assuming, on the other hand, that the schooner was culpable because she did not have a proper lookout, one who should have been charged with the single duty of observation, instead of the double duty which he was attempting to perform, or that she was in fault in not porting her helm after the collision was imminent, or was in fault otherwise, so long as her fault was not the sole cause of the collision, the steamer cannot escape her share of responsibility for the loss if the situation was due in part to her own negligence. It was the duty of the schooner to maintain her course until it became apparent that the steamer could not keep out of the way, and if, after the situation became so critical as to justify departure from the ordinary rules of navigation, the schooner committed an error, the steamer is not wholly absolved unless she was without fault in bringing about the situation.

The libel alleges, that, when the steamer was first seen, she was 500 or 600 feet off, coming directly and rapidly towards the schooner, and that there was room, and twice the room, sufficient for the steamer to have cleared the schooner without injuring her. This is the only allegation of fault charged in the libel. The answer alleges, that, soon after the

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course of the steamer had been changed, the schooner was seen by the captain and those navigating said steamer close to the starboard bow of said steamer; that the steamer was immediately stopped, and the engine backed full speed astern, but nevertheless the schooner was struck by the steamer. Upon this issue it is urged against the steamer, that she was negligent in not discovering the schooner earlier, in proceeding at too great speed, and in not putting her bow to starboard after she reversed her engine.

It is to be observed, preliminarily, that, from the time the steamer turned about, after the cries of distress were heard, she was engaged in an attempt well calculated to enlist the zeal of all on board who had any duty to perform, and stimulate them to diligence. The cries could not have been audible at a great distance. The fog was of considerable density, so much so that a vessel could not be seen much if any beyond a distance of 200 yards away, and a small boat could not be seen perhaps at half that distance. The undertaking upon which the steamer had set out would probably be frustrated if a rapid speed was maintained. It was indispensable, also, that a critical observation in all directions should not be omitted. Negligence in either respect would have been little less than criminal. It is reasonable, therefore, to assume, that every one of those in charge would be at his post of duty; that a vigilant lookout would be maintained; and that the steamer would be kept at only such speed as would enable her to be handled with celerity. The evidence harmonizes with the presumptions which are naturally suggested by the occasion, in all respects save one. Every man was at his post; every man heard the fog whistle of the schooner and saw her sails appearing through the mist, at substantially the same time. As soon as the situation could be comprehended, the order to reverse at full speed was promptly given and was as promptly obeyed. But the rate of speed which was maintained is fixed by the testimony of the engineer of the steamer at about seven knots an hour, and no argument or inference from probabilities can displace this fact.

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Notwithstanding the statement of the answer, that the schooner was seen by those on board the steamer close to the steamer's starboard bow, the proofs do not convict the steamer of negligence in not discovering the schooner earlier. The vessels were, probably, not visible to each other much, if any, over 200 yards away. When they first met, each saw the other about 500 or 600 feet away, but at that distance not so distinctly that the course of the schooner could be determined by those on the steamer further than sufficient to indicate its general direction. At the time of the collision, those on the steamer discovered the schooner before those on the schooner discovered the steamer. It is not probable that the schooner saw the steamer, at the time of the collision, a further distance off than is alleged in the libel. The lookout on the schooner evidently did not discover the steamer until after he had blown the fog horn which was heard by those on the steamer. Immediately after he discovered her, he thought she would run the schooner down, and he gave the alarm, and those below rushed upon deck. His fog horn was heard by every man on duty on the steamer, and, doubtless, stimulated all of them to observation; and the proofs are explicit that they discovered the steamer about the time or immediately after hearing the fog horn. When the vessels were approaching on their converging courses to the point of collision, they must have been nearing each other at the rate of about 800 feet per minute. Approaching with this rapidity, if those on both vessels were maintaining a vigilant observation, it is not surprising that the vessels should have got as near as from 500 to 600 feet before either saw the other, or as near as they were when they saw each other on the first occasion. Probably, at the time the fog horn was blown upon the schooner, the vessels were 200 yards apart, and neither was visible to the other until they had approached from 50 to 100 feet nearer. Certainly, those on the steamer discovered the schooner as soon as, and probably before, the lookout on the schooner discovered the steamer. Believing that those on the steamer were not only vigilant in their obser-

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vations, but vigilant to an unusual degree, the conclusion is, that the steamer discovered the schooner as soon as she was discoverable.

Was the steamer proceeding at undue speed? She was making 30 revolutions of her engine per minute, which fixes her speed with accuracy at between 6 and 7 knots an hour. The only rule to be extracted from the authorities, by which to determine whether a given rate of speed is moderate or excessive, in view of the particular circumstances of the occasion, is, that such speed only is lawful as will permit the steamer seasonably and effectually to avoid a collision, by slackening speed, or by stopping and reversing, within the distance at which an approaching vessel can be seen.

The rule laid down in *The Europa*, (*Jenkins' Rule of the Road*, 52,) is quoted in the case of *The Pennsylvania*, (19 *Wall.*, 125,) and has been frequently reiterated in language or substance, in other adjudications. (*The Batavier*, 40 *Eng. L. & Eq.*, 19, 25; *The Colorado*, 91 *U. S.*, 692, 703.) This is, that a steamer has no right, on any occasion, to navigate at such a rate that it is impossible for her to prevent damage, taking all precautions at the moment she sees danger to be possible; and more especially, "if she cannot do that without going less than five knots an hour, then she is bound to go at less than five knots an hour." In the case of *The Pennsylvania*, the speed of the steamer was seven knots, but the fog was so dense that a large vessel could hardly be seen at the distance of fifty feet. In many reported cases, however, a rate of speed no greater than was maintained by the steamer here, and in some cases a much less rate, has been declared to be immoderate. (*The Rossiter*, 1 *Newb.*, 225; *The Lloyds*, *Holt, Rule of the Road*, 58; *The Monticello*, 1 *Holmes*, 7; *The Magna Charta*, 25 *Law Times*, *N. S.*, 512; *The Pottsville*, 12 *Fed. Rep.*, 631; *The Blackstone*, 1 *Lowell*, 485.) In the case of *The Batavier*, (9 *Moore*, *P. C.*, 286,) the witnesses stated the rate of speed of the steamer all the way from ten knots to one and a half, and the Court deemed it unnecessary to ascertain the precise speed, being of opinion

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that any rate of speed was too great that endangered other vessels in the river. Severe as the rule to be deduced from the authorities is towards steamers, it is apparently the only practical one. A steamer must, of course, maintain a speed sufficient for steerage way, and the speed sufficient for this purpose differs with different vessels. When that rate of speed is exceeded, it is not unreasonable to consider it immoderate whenever it is so great as to be inconsistent with the duty of the steamer to avoid other vessels which she ought to be able to see. Applying that test here, it must be held that the Nacoochee was in fault. Although some of her witnesses testified that a speed of about six knots an hour was necessary in order to keep her under full control, this testimony consists merely of general statement of opinion, and no facts are given. Such testimony is not generally accepted as persuasive. At the rate at which she was going, she would run at least 600 feet, and probably 700 or 800 feet, after her engines were reversed, before she would begin to move backward. Her engineer was unwilling to testify that she could be stopped before running a thousand feet, and her captain fixes the distance at from 600 to 800. It is not credible that she would not have been under control if she had been going at half the speed she actually was, and in that case she could have been stopped within a much shorter distance. Assuming that the vessels were five hundred feet apart when the order to stop and reverse was given, that the order was given (as the proofs show) as promptly as possible upon discovery of the schooner, and assuming, as the proofs also show, that the schooner was discovered by the steamer as far away as she was discoverable in the state of the fog, the conclusion is irresistible, that she was going at a rate of speed which precluded her from properly performing her duty towards the schooner.

The only fault suggested against the steamer, as occurring after she saw the schooner, is, that she did not, in addition to reversing at full speed, starboard her helm and thereby throw her bow to starboard. The propeller being right handed, the

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effect of starboarding, if any, during the interval in which the steamer was stopping, would have been to turn her to starboard after she had attained her backward motion; but it is well known, that when the ship is stopping, by the reversal of her screw, the influence of the rudder is comparatively feeble and uncertain. The testimony of the experts is to the effect, that if the helm had been put hard-a-starboard, while the steamer was backing full speed astern, no influence would have been exercised upon her bow. She had not got upon her backward motion when she struck the schooner. Testimony has been offered in this Court, to show that an order to hard-a-starboard the helm was given by the captain. No witness but the captain was called to prove this fact, and he did not mention it in his testimony in the Court below. The answer does not assert that such an order was given. If it was one which should have been given, a conclusion would be reached adverse to the steamer, upon the ground that it was not given. But, believing that everything was done which would have been effective to avoid collision, after the steamer discovered the schooner, the steamer is not to be held responsible for not starboarding her helm. The liability of the steamer is placed upon the ground that she did not, while in a fog, go at a moderate speed.

The Court below held the schooner in fault for sailing short handed under the circumstances. With only two men on deck, one was at the helm, and the other was acting as a lookout and blowing the fog horn. Additional evidence has been introduced in this Court, by the libellants, consisting of the testimony of experts, to disprove the theory that an additional lookout would have been of service, or that anything could have been done which was not done, had an additional man been on deck to give orders to the man at the helm. The new testimony is of very little value. The observations in the opinion of the learned District Judge, in respect to the culpability of the schooner, are fully approved, and it is not deemed necessary to recapitulate or enlarge upon them. The usual argument is urged, that the faults on the part of the

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schooner in no way contributed to the collision. But it cannot well be maintained, that if the steamer had been discovered earlier, her course more accurately determined, and orders given promptly to the man at the helm to port, or even if these orders had been given and obeyed when the captain of the steamer called out to the schooner to port, the collision might not have been avoided.

The case is a hard one for both parties. It is a hard one for the owners of the steamer, because their loss is the outcome of an effort of those in command to extend assistance to fellow beings who might be in distress; and the circumstances give some slight color to the conjecture that the supposed cries of distress were demonstrations of another kind from some of the men of the schooner. The testimony has been carefully considered, with an inclination to give the steamer the benefit of all fair doubts, but it has seemed impossible to resist the conclusion, that she was going, in a fog, at a speed not only inconsistent with her ability to keep out of the way of other vessels at a distance at which they could be seen, but also at a speed which was unnecessarily and imprudently great for the special service in which she was engaged.

The decree of the Court below is affirmed, but, as both parties have appealed, without costs of this Court.

THE GALILEO AND THE EDGAR BAXTER**THE HEINRICH AND TONIO AND THE EDGAR BAXTER.**

In a collision between a steamship and a bark towed on a hawser by a steam-tug, the steamship was held in fault for not passing on the port side of the tug and bark, after having given one blast of her steam whistle and been an-

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swered by the tug by one blast. The tug was held in fault for not slowing or stopping and casting off the hawser of the tow, on seeing the risk of collision. The bark was held to be without fault.

(Before WALLACE, J., Southern District of New York, August 27th, 1886.)

THESE were two suits *in rem*, in Admiralty, brought in the District Court. The first suit was by William A. Riedemann and others, owners of the bark Heinrich and Tonio, against the steamship Galileo and the steam-tug Edgar Baxter, to recover for the damages sustained by the bark, while in tow of the tug, through a collision between the bark and the steamship. The second suit was by Charles Henry Wilson and others, the owners of the steamship, against the tug and the bark, to recover for the damages sustained by the steamship, through the same collision. In the first suit, the District Court dismissed the libel against the tug and rendered a decree against the steamship; and in the second suit, it dismissed the libel. (24 *Fed. Rep.*, 386.) In the first suit, the libellants and the owners of the steamship, and in the second suit the libellants, appealed to this Court. This Court found the following facts:

"1. William A. Riedemann, of Geestemunde, and Albert Nicolaus Schutte & Sons, of Bremen, libellants in the action first above entitled, are and were, on April 5th, 1885, the owners of the Heinrich and Tonio, of Geestemunde, Germany, a bark of 1,091 tons register.

2. Charles Henry Wilson and Arthur Wilson, of Hull, England, libellants in the second action above entitled, are and were, on April 5th, 1885, the owners of the British steamship Galileo, of Hull, England, a large ocean screw steamship, plying between New York and Hull, brig rigged, about 350 feet in length and of 2,990 tons register.

3. Jarvis Masters, Peter Cahill, and the executor of Margaret Moran, deceased, claimants and appellees in both above actions, are and were, on April 5th, 1885, the owners of the steam propeller Edgar Baxter, a tug-boat engaged in towing vessels in and about the harbor of New York.

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4. On April 5th, 1885, the Heinrich and Tonio had been lying at Bayonne, New Jersey, where she had taken on a full cargo of refined petroleum, in barrels, for a voyage under charter, from New York to Bremen, Germany. Shortly after 9 o'clock A. M., said bark was taken in tow by the tug Edgar Baxter, upon a fifty-fathom hawser astern, to be towed to sea.

5. The weather was clear and fine, wind blowing a moderate breeze from the westward, and tide flood.

6. When the bark passed out of the Kills and headed down for the Narrows, while being towed as aforesaid, she set her staysails and jibs, but remained otherwise without any propelling power of her own, and was towed by the tug at a speed of about five miles an hour. Her own speed, by the aid of her sails, irrespective of the momentum imparted to her by the tug, was little more than sufficient to overcome the tide.

7. Said bark was well and properly officered and manned, an able seaman had her wheel, who steered straight after said tug, and the officers and crew were attending to their duties, with an experienced and duly licensed pilot on board in charge.

8. The tug and bark, in tow as aforesaid, proceeded on the usual course down New York Bay, heading about south by east, intending to pass through the Narrows to sea. While keeping a little to the westward of the centre of the channel, and near Clifton, the persons in charge of said bark saw on their port bow, at a distance of about half a mile, a steamship, which afterwards proved to be the Galileo, lying head to the eastward, apparently nearly at a right angle to the course of said tow.

9. The steamship Galileo had come in from sea, and had been visited by the health officer at Quarantine, and was about to proceed on her way up the bay. While waiting, she had headed across and somewhat down the channel, and had been going ahead and astern, gradually heading more to the eastward, endeavoring to head up the bay on her proper

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course. A Sandy Hook pilot, the master and third officer were on the bridge, directing the course of the steamship. When the tug and tow had come within about 400 yards, said steamship was heading about east by south or between that and southeast. At this point the bay is about a mile and a half in width. Ahead of the Galileo the depth of the water in the channel was such that she could have gone in sufficient water 200 or 300 yards to the eastward. Astern and below the Galileo, a large vessel was being towed in from sea by the tug Cyclops, which was heading northerly and to the westward of the Galileo and on the starboard bow of the Edgar Baxter and the bark. The Edgar Baxter and her tow were keeping a straight course midway between the tug Cyclops and the stern of the Galileo.

10. When the vessels were in this position, and the Galileo's stern was about two points on the port bow of the Edgar Baxter, the pilot of the Galileo blew one blast of her whistle, signifying to the tug to pass to the right, under the Galileo's stern. Immediately one assenting blast was blown by the Edgar Baxter, and her helm was ported so as to head her about one point more to the westward, which was as far as the presence of the Cyclops and her tow would permit. This change of direction was immediately followed by said bark.

11. The Galileo was then observed by said tug to be backing, and, notwithstanding said whistle, to be coming athwart the course of said tug and bark. Shortly thereafter, and when the Baxter was about 200 yards away from the Galileo, the Baxter blew several short, sharp and rapid blasts of her whistle, as danger signals, and also a long whistle followed by more short rapid blasts. The Galileo did not respond to these signals, or, if she did, no response was heard by the Baxter or her tow, and the Galileo continued to back down upon said tug, and the tug continued without slackening speed until the two vessels almost touched. The rudder of the Galileo struck the towing hawser just astern of the Edgar Baxter, the latter becoming at the same moment shut

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out of view from the bark by the hull of the Galileo, which continued to back across the bark's bows.

12. Immediately said bark cast off her hawser and starboarded her helm to ease the blow which was seen to be inevitable. The starboard bow of the bark struck the port side of the Galileo, just abaft the forerigging, a glancing blow, carrying away the bark's jibboom and the rigging attached, the martingale, the foreyard, the foretopgallant mast, also breaking in the starboard bow about twenty feet, breaking bulwarks and beams of forecastle deck, and timbers and frames, and doing other damage to the bark, as well as some considerable damage to the side and upper works of said steamship.

13. Said vessels cleared each other by said bark passing ahead of said steamship, where she was again taken in tow by said tug and brought back to New York to be repaired.

14. At the time the Galileo blew her first whistle to the Edgar Baxter, which was about two or three minutes before the collision, her engines had been backing, and they were not set ahead until so near the moment of collision as to be ineffectual to stop the Galileo's sternway. The record of the engineer's log contains no entry of starting the engines ahead at all during the four minutes before the collision, which is recorded as occurring at 9.58 A. M.

15. The following rules and regulations, among others, for the government of pilots, as revised, amended and adopted by the Board of Supervising Inspectors, under authority of the Act of Congress "to provide for the better security of life on board of vessels propelled in whole or in part by steam, and for other purposes," now enacted in Title LII of the Revised Statutes of the United States, were in force and applicable to the proper navigation of these steam vessels, at the time of this collision, viz. :

'Rule I. When steamers are approaching each other 'head and head,' or nearly so, it shall be the duty of each steamer to pass to the right or port side of the other, and the pilot of either steamer may be first in determining to

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pursue this course, and thereupon shall give, as a signal of his intention, one short and distinct blast of his steam-whistle, which the pilot of the other steamer shall answer promptly, by a similar blast of his steam-whistle, and thereupon such steamers shall pass to the right or port side of each other. But if the course of such steamer is so far on the starboard of each other as not to be considered by pilots as meeting 'head and head,' or nearly so, the pilot so first deciding shall immediately give two short and distinct blasts of his steam-whistle, which the pilot of the other steamer shall answer promptly by two similar blasts of his steam-whistle, and they shall pass to the left or on the starboard side of each other.'

'Rule III. If, when steamers are approaching each other, the pilot of either vessel fails to understand the course or intention of the other, whether from signals being given or answered erroneously, or from other causes, the pilot so in doubt shall immediately signify the same by giving several short and rapid blasts of the steam-whistle, and, if the vessels shall have approached within half a mile of each other, both shall be immediately slowed to a speed barely sufficient for steerage-way, until the proper signals are given, answered, and understood, or until the vessels shall have passed each other.'

'Rule VI. The signals, by the blowing of the steam-whistle, shall be given and answered by pilots in compliance with these rules, not only when meeting 'head and head,' or nearly so, but at all times when passing or meeting at a distance within half a mile of each other, and whether passing to the starboard or port.'

'N. B.—The foregoing rules are to be complied with in all cases when steamers are navigating in a crowded channel, or in the vicinity of wharves; under such circumstances steamers must be run and managed with great caution, sounding the whistle, as may be necessary, to guard against collision or other accidents.'

16. The Galileo did not observe the foregoing rules, and

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disregarded her own signal of a single blast of her whistle, and thereby contributed to bring about said collision.

17. The tug and bark could and would have passed safely under the Galileo's stern, if the Galileo had remained where she was when her first whistle was blown, or if the Galileo had promptly checked her sternway by setting her engines ahead as soon as her signals had been given and answered.

18. The Edgar Baxter and the bark, after the first exchange of whistles, ported and went as far to the westward as was safe on account of their proximity to the course of the Cyclops and her tow.

19. The Edgar Baxter complied with the inspectors' rules, except that she did not slow at all. As soon as the pilot of the Edgar Baxter saw that the Galileo was coming astern, he observed rule three by blowing several short and rapid blasts of the whistle. He then blew a single blast, but received no answer from the Galileo."

Hill, Wing & Shoudy, for the Heinrich and Tonio.

Foster & Thompson, for the Galileo.

Owen & Gray, for the Edgar Baxter.

WALLACE, J. It is entirely clear that the primary fault contributing to the collision between the steamer and the bark in tow of the Baxter was the failure of the steamer to keep out of the way of the tug and her tow by passing to their port side, conformably to the signals which had been interchanged between the steamer and the tug.

It is doubtful whether the nineteenth rule of navigation (sec. 4,233) applies to a case like this, where a vessel under steam, lying nearly crosswise, near the middle of a navigable channel, is not on a defined course crossing that of another vessel under steam and having the latter on her starboard side, but is attempting to turn about by backing and then going forward for short distances. Whether this rule

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applies or not is not important, because the steamer had signified her intention of passing to the port side of the tug and tow, pursuant to Rule No. I of the Board of Supervising Inspectors, by one blast of her whistle, and the tug had consented promptly by the answering signal. The steamer failed to keep her promise with proper alertness, by neglecting to put her engines at speed ahead as promptly as she should. If she had done this there would not have been a collision.

But the tug, when a couple of hundred yards away, observed that the steamer was moving astern, thus bringing herself across the course of the tug and tow, and gave the danger signals required by Rules III and VI of the Board of Supervising Inspectors. During the 200 yards of distance which had intervened after the first signals were given, it was the duty of the tug to carefully observe the movements of the steamer. She saw, or was bound to see, that the steamer, instead of so controlling her movements as to pass to the port side of the tug, was moving in an opposite direction. Her captain states he discovered the steamer was moving astern directly after he had answered her signal. The danger signal given by him manifested his opinion, at the time, that the steamer's movements were such as to involve risk of collision with the tow, unless they were promptly counteracted by a forward movement. He saw, as these signals demonstrate, that, notwithstanding the promise of the steamer so to control herself as to permit the tug and tow to pass to the westward, she was so tardy in her manœuvre that the situation was growing critical. Was he justified in relying upon her promise, in the face of her conduct to the contrary?

The language of the twenty-first rule is imperative and plain. It applies from the moment when the approach of vessels is such as to involve risk of collision between them. In *The Beryl*, (9 Prob. Div., 137,) the Court, in considering the English statute, which employs language identical with ours, says, that "the right moment of time to be considered

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is that which exists at the moment before the risk of collision is constituted." The rule does not permit the calculation of chances and the weighing of probabilities, because risk intervenes the moment this becomes necessary; and it certainly cannot be material whether the risk depends upon the contumacy of the other vessel, or her supineness in fulfilling her obligations, or the probability that she will perform her duty, or upon circumstances quite independent of such chances.

Assuming that, when the captain of the tug gave the first series of danger signals, he believed there was yet time for the steamer to redeem her promise and pass to the eastward before the tow could reach the line of her course, and that she would exert herself to her best ability in that behalf, how is he excused for keeping on at full speed for 200 yards further, when he saw that the steamer still continued to make astern, and that the risk of collision with the tow was becoming rapidly more imminent? The rules of navigation are obligatory upon vessels approaching each other, not only from the time the necessity for precaution begins, but continue obligatory as the vessels advance, so long as the means and opportunity to avoid danger remain.

There seems little room to doubt, that, if the tug had slowed or stopped and cast off the hawser of the tow at any moment of time before the tug had passed the stern of the steamer, the tow could have avoided the steamer by hard starboarding her helm. When the tow's helm was hard starboarded, the steamer was abreast of the bow of the tow, and about one-third her length past, and the tug had passed the stern of the steamer nearly 100 feet, keeping to the starboard as far as she could to avoid the Cyclops and her tow. The bark, under the helm hard starboard, came around before the wind, at a distance of less than 250 feet from the steamer, and fell off about three points to the eastward, striking the steamer a glancing blow at a point about 100 feet from the steamer's bow. A fair test of the probable success of seasonable action is the partial success which is shown to have fol-

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lowed dilatory action ; and, applying this test, it would seem, that if what was finally done by the tug and tow had been done when the tug was not nearer than one hundred yards to the steamer, the collision would have been avoided. The burden of proof rests upon the tug to show that her failure to obey the statutory regulation did not contribute to the collision. The proofs do not exonerate her.

It appears from the opinion of the learned District Judge, that he deemed the tug excused from fault partly upon the assumption that, after she had given the first danger signal, the steamer repeated the signal of one blast, and thus, in effect, informed the tug that she could keep out of the way, and authorized the tug to act on that belief. Although the pilot of the steamer testifies that he replied to the first danger signal of the tug by a single blast of his steam-whistle, this statement is in plain conflict with the allegations in the pleadings of both the tug and the tow, as well as with those of the steamer, and is opposed to the concurring testimony of all the other witnesses. Even if the signal was given it was not heard, and, therefore, could not have been acted on by those in charge of the tug or tow.

Although the conduct of the steamer in neglecting to put her engines at speed ahead after she had given signals that she would pass to port, and had received an assenting signal from the tug, was a flagrant violation of duty, and although the conduct of the tug in relying too long and implicitly upon the intention and ability of the steamer to perform her promise was a comparatively venial fault, it must be held that the tug must bear the consequences of omitting to do what the statute requires, by contributing to the payment of the loss.

It is urged that the tow was also in fault for not sooner casting off her hawser and starboarding her helm. The tow was not absolved from the duty to take all reasonable and prudent measures, demanded by the circumstances, to avoid a collision, merely because she was relying for her motive power upon the tug, but she was under the control of the tug, and

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did not have that control over her own movements which steam vessels possess, or which she would have had if relying only upon her own sails; and it was her duty to keep her course and conform her movements to those of the tug until it was obvious that she could no longer do so with safety to the steamer. It was not obligatory upon her to cast off her hawser and starboard her helm as soon as the approach of the vessels involved risk of collision, but only when it was obviously necessary to do so in order to avoid collision, that is, when she ought to have been aware that the steamer could not keep out of her way. Until then she had a right to suppose that she would not be led by the tug into dangerous proximity to the steamer. (*The John Fraser*, 21 How., 184, 193.) If she had assumed to act upon her own responsibility at an earlier approach, she would have been responsible to the steamer for any miscarriage. Although she might have cast off her hawser sooner, that was an act only to be adopted *in extremis*, and is not a fault of which the steamer can justly complain.

The conclusion is, therefore, reached, that, in the action brought by the owners of the tow against the steamer and the tug, the libellants are entitled to a decree against both vessels, with costs of the District Court and of this Court; and in the action brought by the owners of the steamer against the tug and the tow, the libel should be dismissed as to the tow, with costs of the District Court and of this Court, and the libellants should have a decree for damages against the tug, with the costs of this Court.

In re Archibald Baxter and others, Bankrupts.

IN THE MATTER OF ARCHIBALD BAXTER AND OTHERS, BANK-
RUPTS.

The holder of a bill of exchange, with knowledge of the insolvency of the drawer, procured the bill to be accepted by the drawee, who did not know of such insolvency. The acceptor had in his hands property of the drawer, and paid the bill. The drawer being adjudged a bankrupt, the person to whom the bill was paid proved his claim on other demands, and the assignee in bankruptcy moved to expunge them on the ground that an illegal preference had been received by the payment of the bill: *Held*, that there was no illegal preference.

The fund in the hands of the assignee cannot be charged with a counsel fee in favor of the person successfully resisting the motion to expunge.

(Before WALLACE, J., Southern District of New York, August 27th, 1886.)

WALLACE, J. Baxter & Company, the bankrupts, before insolvency or contemplation thereof, delivered their bill of exchange, drawn on Jones Brothers, payable at a future day, to Dennistoun, Cross & Co., creditors. Subsequently, Baxter & Company became insolvent, and Dennistoun, Cross & Co., with knowledge of the fact, presented the bill to Jones Brothers for their acceptance, and procured their acceptance, Jones Brothers at the time being ignorant of the insolvency of Baxter & Company. Jones Brothers were consignees of Baxter & Company, and, upon acceptance of the bill, obtained an equitable lien for its amount upon property in their hands, of Baxter & Company. In due course, but after Baxter & Company were notoriously insolvent, Jones Brothers paid the bill to Dennistoun, Cross & Co. After Baxter & Company were adjudicated bankrupts, Dennistoun, Cross & Co., being creditors upon other demands, proved their claim upon these demands, and the assignee in bankruptcy moved to expunge, upon the ground that they had received an illegal preference by the payment of the bill of exchange.

The element of intent on the part of the bankrupts to give a preference to Dennistoun, Cross & Co. is wholly want-

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ing in the transaction of which the assignee complains, and, if there was any preference, which is gravely doubted, it was the result of circumstances beyond the control of the bankrupts, and which could not have been foreseen by them when they delivered the bill of exchange.

Unless Dennistoun, Cross & Co. received some part of the bankrupts' property they did not obtain a preferential payment. It does not appear that they received anything except the money of Jones Brothers, in payment of the obligation of Jones Brothers. While the effect of their obtaining the acceptance of Jones Brothers was to put that firm in a position to reimburse themselves for the amount of the bill out of the property of the bankrupts consigned to Jones Brothers, Dennistoun, Cross & Co. did not get the property or the avails of it. At most, it would seem that they only put it in the power of Jones Brothers to obtain property of the bankrupts. They did not obtain a preference by obtaining Jones Brothers' acceptance of the bill, and it is not obvious how they would have obtained one if they had sued Jones Brothers upon the acceptance and collected the amount by process; and, unless this would have been a preference, there was none in receiving payment from Jones Brothers without suit.

The order of the District Court, (25 *Fed. Rep.*, 700,) refusing to expunge the proof of debt of Dennistoun, Cross & Co., and allowing the claim to stand, was, therefore, right.

So much of the order appealed from as allows a counsel fee of \$250 to Dennistoun, Cross & Co., by way of costs, upon the contestation of their claim, is erroneous. Irrespective of General Order No. XXX, in bankruptcy, prohibiting any allowance against the estate of a bankrupt for fees of attorneys or counsel, except when necessarily employed by the assignee, it is not in accordance with the well established practice in equity, to charge a fund belonging to a body of creditors with costs in favor of a particular creditor, taxable as between solicitor and client, when the controversy is merely

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one respecting the validity or extent of the creditor's claim. The services rendered by counsel for Dennistoun, Cross & Co. were for the benefit of those creditors only, and not for that of all the creditors of the bankrupts, or of the general fund. They are not to be compensated therefor upon the principle that one jointly interested with others in a common fund, who maintains a necessary litigation to save it from waste, or secure it for the benefit of all, is entitled, in equity, to the reimbursement of his costs, as between solicitor and client, out of the fund. (See *Trustees v. Greenough*, 105 U. S., 527, and cases there cited.) The only costs which should have been allowed are those of an equity suit, as between party and party, prescribed by statute. (*U. S. Rev. Stat.*, sec. 823.)

In all other respects, the order of the District Court is affirmed.

Abbott Brothers, for the assignee in bankruptcy.

A. P. & W. Man and *William F. Scott*, for Dennistoun, Cross & Co.

THE NEW YORK EXHAUST VENTILATOR COMPANY

vs.

THE AMERICAN INSTITUTE OF THE CITY OF NEW YORK AND
THE SIMONDS MANUFACTURING COMPANY. IN EQUITY.

An Institute offered a medal for "the best apparatus for ventilating fan," for which two parties competed. An award being made in favor of one, the other filed a bill in equity against the former and the Institute, to restrain the award to the former, and to have an award made to the plaintiff: *Held*, that the bill would not lie.

(Before BLATCHFORD, J., Southern District of New York, September 1st, 1886.)

The N. Y. Exhaust Ventilator Co. v. The American Institute of N. Y.

BLATCHFORD, J. The plaintiff is a New Jersey corporation and each of the defendants is a New York corporation. The allegations of the bill are, in substance, these: The plaintiff is engaged in making and selling ventilator wheels, known as the "Blackman wheel." The American Institute, in 1884, publicly offered "a medal of superiority and a medal of excellence for such ventilating apparatus as should, under certain tests and conditions, be proven, on trial, to produce the best results, and excel in certain respects." Thereupon, the plaintiff entered into a contract with the American Institute, that a competitive test should take place between the "Blackman wheel," as made by the plaintiff, and another ventilating fan, known as the "Wing Disc fan," as made by the Simonds Manufacturing Company; that, in December, 1884, the American Institute sent to the plaintiff a statement of the conditions on which the competitive test should take place, the same, as signed by the president of the plaintiff, being as follows:

"I hereby agree to the following as the conditions for the competitive test of Exhaust Fans to be made by direction of the American Institute. Fans 4 ft. in diameter to be used. One test to be made with 30 ft. of suction pipe, of same diameter as fan. With Blackman fan the 30 ft. to be in addition to the enlarged chamber. One test with 30 ft. of discharge pipe without any suction pipe, and without enlarged chamber on Blackman. These tests to be repeated with cloth stretched across the pipe. The power required to operate the fans is to be measured by a dynamometer, the quantity of air moved by an anemometer, and the pressure or vacuum produced by a water gauge. The dynamometer and other instruments, and the power, to be supplied by the American Institute. The cost of pipe and incidental expenses to be shared equally by the competitors. The tests to be made by and under the direction of the judges appointed by the American Institute. The competitors to have the right to be present to witness any or all of the tests. The competitors to be furnished with a copy of the record of the tests;" that the plaintiff accepted said conditions subject to a propo-

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sition made in writing to the American Institute, that a certain modification be made in said conditions, said writing being as follows, as signed by the president of the plaintiff:

"TO THE JUDGES: GENTLEMEN—We freely accept your conditions of test, with the exception to your ruling that the Blackman wheel shall draw through 30 ft. of pipe in addition to the enlarged chamber. This enlarged chamber is about fifteen (15) per cent. of the entire length (30 ft.) of pipe our competing fan is required to draw through. If the Wing fan is asked to draw through 30 ft. of pipe, why should the Blackman wheel be required to draw through about fifteen per cent. greater length of pipe?

"We think, to place the Wing fan and the Blackman wheel upon the same level in this test, both should draw through the same length of pipe measured from the wheel. We desire no advantage whatever, and do not feel that we can consent to give this advantage without expressing our objections.

"As we understand the conditions of this test in general terms, it is, that each party can erect their wheel or fan so far as to get the best result through 30 ft. of pipe. If we are correct, we claim that each party should draw and force through 30 ft. of pipe, no more or less. With this explanation of the disadvantage we are under if required to lengthen the pipe, we accept the conditions rather than delay the test;" that said modification was accepted by the American Institute; that the Simonds Manufacturing Company subscribed duplicates of the writings and became a party to the contract; that the conditions in the writings were those on which the plaintiff was induced to submit the "Blackman wheel" in competition for the prize with the "Wing Disc fan;" that the test was conducted under the direction of the agents of the American Institute; that, from the trials of the two apparatuses, it appeared, as concerned all matters in issue under said conditions, and to be determined in said test, under said contract, that the trials resulted in favor of the "Blackman wheel" and demonstrated its superior utility and merit, as compared with the "Wing Disc fan," all of which

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facts were admitted by, and known to, each of the defendants; that the plaintiff, under said contract, became entitled to a favorable judgment from the judges, the agents of the American Institute, and to receive a medal of superiority for the "Blackman wheel;" that the agents of the American Institute, with the aid, knowledge and collusion of the Simonds Manufacturing Company, wrongfully, wilfully, fraudulently, and with the intent to deprive the plaintiff of the award of superiority, and without its consent, disregarded the conditions of said contract and writings, and, upon issues and matters not contemplated or authorized by the terms of said contract and writings, and in defiance of the rights of the plaintiff, and to its irreparable injury, unjustly and wrongfully, in furtherance of said plan or conspiracy, and with wicked intent, rendered a report to the American Institute, which denied the right of the plaintiff to the highest award, and declared that the "Wing Disc fan" was entitled to the highest award, and recommended that the American Institute award a medal of superiority to it, said report being as follows:

"TO THE BOARD OF TRUSTEES OF THE AMERICAN INSTITUTE:

"GENTLEMEN—For the purposes of ascertaining the capacity and efficiency of the ventilating fan exhibited by the New York Exhaust Ventilator Company, and known as Blackman's Ventilator Wheel, and of the ventilating fan exhibited by the Simonds Manufacturing Co., and known as the Wing Disc Fan, competitive tests were made in the machinery Hall of the Institute Building.

"The fans were placed, in turn, at the end of a pipe four feet in diameter, and thirty feet long, through which they drew or forced air as required.

"Tests were made at different rates of speed, and under the conditions of drawing or forcing through the open pipe, or through a disc inserted in the pipe and made of a material known as cheese cloth. The obstruction offered by the cheese cloth was intended to represent, in a measure, the resistance encountered by the air when passing through such substances as wool, malt, etc., for drying purposes.

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“A small 7 x 7 engine furnished the power, which was transmitted to the fan by means of belts, one counter-shaft intervening between the engine and fan shafts. The speed of the engine was regulated by a governor. Indicator cards were taken as often as practicable during a test, and the average of these was taken as the power for that particular test.

“The velocity of the air passing through the pipe was measured by an anemometer; its readings were taken at seven fixed points across the mouth of the pipe, one in the centre and three on each side, the opposite pairs being the same distance from the centre. The anemometer recorded during one minute at each point. For the purpose of calculating the volume of air, the pipe was considered as divided into rings, bounded by imaginary circles drawn midway between these points. The mean of the readings in each ring, taken as the velocity for that ring, gave the volume of air passing through it.

“Both fans are constructed on the principle of the screw propeller, moving air in lines parallel to the axes of the fans.

“The blades of the Blackman fan are fixed, that is, not adjustable. Their peculiar shape, the exhibitors claim, causes them to draw in the air at the periphery, as well as at the face of the fan. The fan is, therefore, placed, when erected for drawing through pipes or flues, in a chamber large enough to admit the air freely to the periphery; when erected for drawing from a room or hall, it is placed in the wall or ceiling, but entirely within the room.

“The fan used in the tests was four feet in diameter and had six blades. The chamber used for the drawing tests was five feet long and six feet in diameter at the part immediately surrounding the fan.

“The blades of the Wing fan are adjustable, *i. e.*, capable of being set at any desired angle, the angle being the same at all points of the blade, radially. This fan draws air only at its face, and may be set in a pipe or flue which is merely large enough to allow the fan to revolve. The fan used in the tests was four feet in diameter and had six blades, which

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were set at the same angle for all the tests. Representatives of both fans were present during all the tests, and expressed themselves as fully satisfied with the manner of conducting them.

“Tests E, J and R of the Blackman fan were omitted, the representative of that fan stating that it had already been tested at as high speeds as he would recommend for actual use.

“The accompanying tables show the velocities of the air passing through the pipe at different points, the volume of air per minute, and the horse-power of the engine.

“The accompanying diagrams represent the volumes of air, and the powers of the engine, in convenient forms for comparison. Black lines are used for the Blackman fan, and red lines for the Wing fan. The horizontal measurements show volumes of air, and the vertical measurements the power.

“An inspection of diagrams shows, that, when equal volumes of air were moved, the corresponding powers were nearly equal with both fans. The differences of power—some in favor of one fan, and some in favor of the other—were so small that they would not be considered commercially.

“From the results of the tests we draw the following conclusions:

“The fans are nearly equal when running at speeds not exceeding 500 to 600 revolutions per minute.

“When necessary to exceed that speed for the purpose of moving greater quantities of air, it can be done much more advantageously by the Wing fan than by the Blackman. As space available for setting a fan is sometimes limited, this is an advantage.

“Very respectfully,

“Your obedient servants,

“E. A. MAGEE,

“J. T. BEDFORD,

“E. M. HUGENTOBLE,

} Judges;”

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(the tables and diagrams are omitted ;)

“ TO THE BOARD OF MANAGERS OF THE AMERICAN INSTITUTE :

“ GENTLEMEN—We find that the Ventilating Fan, exhibited by the New York Exhaust Ventilator Co., and known as the Blackman Ventilator Wheel, is well constructed and of good materials.

“ The blades are fixed. Each fan, to attain its highest efficiency, must be constructed to suit the conditions under which it is to operate. An alteration of these conditions impairs its efficiency.

“ We recommend an award of the medal of excellence.

“ E. A. MAGEE,

“ J. T. BEDFORD,

“ E. M. HUGENTOBLE ;”

that, after each of the defendants knew of said results of the tests, the agents of the American Institute made certain tests unknown to the plaintiff, and based the conclusions contained in their report on such fraudulent and collusive tests or trials, and not on those made under said contract and writings ; that the plaintiff, as soon as it was informed of said report, and before any action thereon, delivered to the American Institute a protest in writing, the contents of which are true, as follows :

“ NEW YORK, APRIL 29th, 1885.

“ THE BOARD OF MANAGERS AMERICAN INSTITUTE, ROOMS 27
AND 28 COOPER UNION, CITY :

“ GENTLEMEN — We received yesterday the report of Messrs. Magee, Bedford and Hugentobler, judges upon the Blackman ventilator wheel, under date of the 15th inst., awarding to said wheel the medal of excellence. We shall be forced to enter our protest against the adoption of this award by your honorable body, and trust that we shall be able to convince you of its injustice to us.

“ We have also been informed by Mr. Magee, that a similar report upon the Wing Disc fan, recommending award of the medal of superiority, has been submitted to you, and that

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the reason for this award is the '*adjustability of the blades of that fan.*'

"We desire also to enter our protest against the adoption of the report upon this fan.

"We respectfully submit the following arguments as a basis for our grounds for protest :

"FIRST. The adjustability of the blades did not enter into the competitive tests between these ventilating machines, but, to the contrary, was denied by the judges.

"SECOND. It was the earnest wish and request of this company, before the tests were made at the American Institute, to have the Wing Disc fan tested with its blades at various angles, (such as might be selected by the proprietors of that fan,) and that we be allowed to use two or more Blackman wheels, to have different angled blades, against the Wing fan, with the blades set at different angles. This, however, was most positively refused us by the judges, who refused to allow the use of more than one Blackman wheel for the various tests made, and restricted the Wing Disc fan to one angle of blade to be selected by its owners, stating, at the same time, that the *adjustability of these blades did not enter into the competitive test in any manner whatever, and would not be considered*, and that the Wing fan would be treated as though its blades were fixed and rigid; and it was so treated throughout the entire tests made in our presence by your judges.

"THIRD. There are no data in existence, and no experiments have ever been made, which show that the adjustability of the blades of a ventilating fan is a desirable feature. *It is not* 'an established fact that the efficiency of a ventilating fan is affected by the angle at which blades are set.'

"FOURTH. Adjustability of blades in a ventilating fan is of no practical value, because it requires expert knowledge and a series of tests of the volume of air and power, to be able to adjust the blades in *each* particular case, which, to our knowledge, has never yet been done.

"FIFTH. The figures taken by your judges will prove us

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to be correct in the assertion, that, out of four series of competitive tests made by your judges, the Blackman ventilator wheel proved to be the *most efficient in three* and the most efficient in all four series at those speeds used in actual ventilation.

“SIXTH. We are reliably informed, that, after the tests between the Blackman ventilator wheel and the Wing disc fan had been made, *the result being in the hands of your judges, and their report pending*, Messrs. Magee and Bedford were employed by the Simonds Manufacturing Co., (proprietors of the Wing Disc fan,) to make an extensive line of experiments with that fan, from which only they could have learned that there was any advantage or disadvantage in the adjustable feature of the blades. We claim that this was *improper and unjust*, and that their judgment has been biased by these private tests. We, under these circumstances, (*before they rendered their report*,) should justly have been notified and permitted to make the same line of tests with the Blackman wheel, with blades at different angles.

“We enter our final protest, and respectfully claim, that the Wing Disc fan is not entitled to the medal of superiority, from the fact that the record of *three out of the four* tests made by your judges *did and will* show that the Blackman wheel *is the superior* of the two, which being the fact, the recommendation of your judges is unfair to us and should be annulled.

“We most respectfully request that the medals recommended by your judges may not be awarded until such time as you shall have had an opportunity to investigate the facts we have here given, all of which we are prepared to substantiate, should we be given an opportunity. All we ask or desire is a just award upon the merits of the wheel and fan.

“Very respectfully yours,

“NEW YORK EXHAUST VENTILATOR CO.

“By D. R. MORSE,

“President.

“We neglected to say, in our protest, that Mr. E. M.

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Hugentobler was not present at any time during the test; he, therefore, can only sign the report upon statements made him by those who were present.

“D. R. MORSE;”

that thereafter, the plaintiff, at divers times, demanded from the American Institute an award to be made in its favor of a medal of superiority, which has been refused, and also demanded from the American Institute that it refuse to award the medal of superiority to the “Wing Disc fan;” that the Simonds Manufacturing Company has circulated, in newspapers and circulars, statements that the “Blackman wheel” is inferior to the “Wing Disc fan,” and that a fair test had been made under the direction of the American Institute, which resulted in showing that the “Blackman wheel” was inferior to the “Wing Disc fan;” and that the defendants were privies with each other in said contract.

The bill contains allegations that the American Institute was incorporated principally to encourage and promote the useful or industrial arts and manufactures, or any improvements made therein; that, “in so doing, and with that object solely in view, it represents to, and is so regarded by, the public and the world, that, through competent judges, carefully selected by it as just, experienced, skilled and honorable, it will justly, carefully and honorably, and in accordance with the facts, and without bias, or improper or wrongful influence, after due and proper examinations and tests, pass upon, and judge of, the merits and superiority of different manufactures, and improvements therein, exhibited to them, and bestow rewards and benefits to those who excel therein, and proclaim and publish publicly the results of its decisions so found, as also its rewards and benefits to parties competing therefor;” and that the plaintiff went into said competition relying solely on said representations, and on the contents of said contract and writings.

The prayers of the bill are—

1. That the American Institute be forever restrained from awarding the medal of superiority to the “Wing Disc fan,”

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or to the Simonds Manufacturing Company, in accordance with said report, and be restrained from so doing *pendente lite*;

2. That it be restrained from publishing said report, and be restrained from so doing *pendente lite*;

3. That the Simonds Manufacturing Company be restrained from accepting said medal of superiority, and be restrained from so doing *pendente lite*;

4. That the Simonds Manufacturing Company be forever restrained from publishing said report, and from publishing any declaration that the "Blackman wheel" is inferior to the "Wing Disc fan," and be restrained from so doing *pendente lite*;

5. That it be decreed that the plaintiff is entitled to receive from, and be awarded by, the American Institute, said medal of superiority, and that the American Institute award and deliver it to the plaintiff.

The two defendants put in separate answers, proofs have been taken, and the case has been heard. After the bill was filed, a motion was made for a preliminary injunction, which was denied. (23 *Blatchf. C. C. R.*, 321.)

On the proofs, the state of the case appears to be, that the American Institute, as alleged in its answer, offered "a medal for the best apparatus for ventilating fan," for which the two parties competed. The plaintiff contends that the written instruments amounted to a contract between the plaintiff and the American Institute, by which certain competitive tests were to be made to show the capacities of the two machines for moving air, and that the medal of superiority was to be awarded to the one whose capacity should, on such tests, appear to be greater; that the result of such tests was in favor of the plaintiff; that the decision in favor of the "Wing Disc fan" was made solely on the ground that its blades were adjustable at different angles, while those of the "Blackman wheel" were fixed; that, under the contract, the judges were not at liberty to take into account that feature of adjustability; and that two of the judges, by agreement with the Sim-

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onds Manufacturing Company, made private tests of the "Wing Disc fan," after the completion of the regular competitive tests, and before the decision was given.

There was no contract that the medal should be awarded to the machine showing the best results on the tests specified in the written papers. The tests as to the power required to operate the fans, the quantity of air moved, and the pressure, were to be made under the conditions specified in the written papers. They were so made. But there is nothing in those papers referring to any medal or prize, or to the grounds on which it should be awarded. The award was to be made by the American Institute for what it should, on the whole, regard as superiority in the machine, as a whole. The judges were merely an advisory body, to report on the special tests embodied in the written papers, and on such other matters as affected the question of superiority.

On the whole evidence, there is nothing to impeach satisfactorily the accuracy of the results arrived at by the judges from the tests set forth in the tables, or to show that, being at liberty, as they were, to consider the feature of the adjustability of the blades, that feature ought not, in view of all other results, to have controlled, in their judgment and in that of the American Institute, the question of superiority.

No valid objection grows out of the private tests made subsequently to the other tests. They had reference to the proper angles at which to set the blades of the "Wing Disc fan," under given circumstances. Their results had no effect on the results of the prior tests. But the subsequent tests were not private, in any sense applicable to this case, for it was known to the plaintiff they were to be made, and it was known by it, prior to the award, that they had been made.

It has been deemed proper to state the foregoing conclusions on the evidence, in vindication of the good faith and propriety of the action of the two defendants and their agents, and of the judges of the American Institute, as to the questions of fact put in issue. But there is a deeper question

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in the case. There was no existing right of property or right of action in the plaintiff, adverse to either of the defendants, prior to the time the two competitors submitted themselves to the American Institute, for an award. Whatever claim the Simonds Manufacturing Company might set up, if it could legally set up any, to have the award in its favor, if made by the American Institute, carried into effect, the plaintiff certainly has no right to invoke the aid of a court of equity to compel the making of an award of superiority in its favor by the American Institute. Equally, it has no right to restrain the making, or the carrying out, of an award in favor of the Simonds Manufacturing Company. No authority or precedent is found for any such suit as this.

The bill is dismissed, with costs to both defendants.

James A. Whitney, for the plaintiff.

Charles B. Alexander and *Allan McCulloh*, for the American Institute.

J. Alfred Davenport and *Edward C. Perkins*, for the Simonds Manufacturing Company.

MARTIN C. ROWELL vs. IRA M. HILL.

The right to remove a cause is not absolutely lost by the failure to file the record from the State Court in this Court on the first day of its next term.

A defendant who has removed a cause does not waive his right to do so by unsuccessfully insisting in the State Court that the cause was not removed.

(Before WHEELER, J., Vermont, September 1st, 1886.)

WHEELER, J. This cause was commenced in the Orange County Court of the State. A petition and bond for its re-

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moval to this Court were filed therein at the December term, 1884, of that Court. The bond was approved by that Court and the cause was ordered to be removed by that Court to this Court. By misunderstanding between the attorney for the defendant and the clerk of that Court, the copies were not transmitted to this Court. The first term of this Court at which they could be entered was the February term, 1885. Both parties supposed that they had been entered at that term until about the time of the May term, 1885, when they learned that the clerk had not sent the copies to the clerk of this Court, as the defendant's attorney had expected. The defendant then applied to that Court, at its June term, to have the entry of removal of the cause to this Court erased, and the cause brought forward, so that a new petition for removal might be made. The plaintiff resisted that application, and it was denied, on the ground that the cause was not pending in that Court. The defendant then applied to the next term, which was the October term, 1885, of this Court, for leave to enter the copies in this Court. That motion was resisted by the plaintiff on account of the laches of the defendant in not entering the copies at the first term of this Court. The motion was granted on payment of terms to the plaintiff, to cover the expenses of the delay, which have been complied with. The plaintiff now moves that the case be remanded, on the ground of the laches, and of the application to the County Court to erase the entry of removal, as waivers of the right of removal to this Court; and this motion has now been heard.

If the plaintiff had moved to remand the cause before or at the time when the defendant moved for leave to enter the copies, perhaps the most proper disposition of the cause would have been to remand it. (*Bright v. Milwaukee R. R. Co.*, 14 *Blatchf. C. C. R.*, 214.) But the plaintiff did not move in that direction, and resisted the motion of the defendant on the ground that the cause was out of Court and not pending in either Court. That the suit is not absolutely lost by the failure to file the record in the Circuit Court on the first day

of the next term, according to the condition of the bond required, or at any time during that term, appears from *Railroad Co. v. Koontz*, (104 U. S., 5.) It was within the power of the Court apparently to grant, in its discretion, leave to enter the copies at that time. When that was done, the case would seem to be properly pending in this Court. The effect of the laches was cured by the payment and receipt of the terms imposed. It would be manifestly unjust to grant the defendant's motion on terms that he pay the plaintiff the expenses consequent upon his laches, and then remand the cause on account of the same. In *McLean v. Railway Co.*, (17 Blatchf. C. C. R., 363,) it was held, that a party could not remove a cause a second time on grounds on which it had been before removed and remanded; and that the party admitted the cause to be pending in the State Court by so describing it in the second petition. This cause has not been remanded to the State Court, and the plaintiff successfully insisted to that Court that the cause was not there. He can hardly expect to prevail here on the ground that the cause was there. The defendant had the right to insist that the cause was somewhere, and he would not lose the right to insist that it was here by unsuccessfully insisting that it was there. The defendant got standing in this Court which he does not appear to have waived or lost.

The greater inconvenience to the plaintiff of a trial in this Court has been urged as a ground for denying the defendant any exercise of discretion in favor of retaining the case. But the case is not retained on that ground. That was exercised before. This motion is determined upon what are deemed to be the legal rights of the parties, and, in determining those, the inconvenience to one, of the claiming what the law gives, by the other, cannot properly be considered.

Motion denied.

Roswell Farnham, for the plaintiff.

Ashton R. Willard, for the defendant.

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FREDERICK A. HUBEL *vs.* DUNDAS DICK. IN EQUITY.

Although a claim in a re-issued patent may have been introduced for the purpose of stating the invention of the patentee, as a substitute for a too broad claim in the original patent, yet if the new claim claims an invention which is different from, and independent of, and a radical transformation of, the invention stated in the original claim, and the re-issue was applied for 5 years after the date of the original patent, without adequate excuse for the delay, the new claim is void.

The decision in *Hubel v. Dick*, (*ante*, p. 59,) affirmed.

(Before SHIPMAN, J., Southern District of New York, September 6th, 1887.)

SHIPMAN, J. This is a petition for the rehearing of the above entitled cause, (*ante*, p. 59.) The Court held that the 6th claim of the second re-issue was void, upon the ground that it was for a new combination, which, although it might have been applied for in the first re-issue, was not applied for until after the lapse of five years from the date of that re-issue; and that, although it was said to be a limitation or narrowing of the corresponding claim of the first re-issue, it was really an enlargement of that patent, because it described and claimed a different and independent invention.

The plaintiff now shows that the file wrapper of the second re-issue makes it apparent, and that confessedly the fact was, that the 6th claim of the first re-issue was declared void upon the trial before Judge Wallace, because a mould-plate and a series of capsule moulds secured thereto at regular intervals had been anticipated. The file wrapper was in evidence, but, having been offered after the testimony was printed, neither the fact that it was in evidence nor the paper itself was in the printed record, and the record, as printed, did not show why the 6th claim of the first re-issue had been held to be void.

The plaintiff says that Hubel ignorantly supposed himself to have been the first inventor of the combination described in that claim, but ascertained his mistake upon the trial, and

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applied for and obtained a re-issue because, through inadvertence and mistake, he had claimed a broader invention than he was entitled to claim as new; that the new 6th claim confines his invention to its proper limits; and that the mistake of having claimed more than was new can be corrected at any time. (*Thomson v. Wooster*, 114 U. S., 104.) This statement puts the question in a somewhat new and different light, but the controlling facts remain as they were before. It is now true that the 6th claim of the first re-issue was held to be void because a mould-plate, with a series of capsule moulds thereon at regular intervals, was old, and that, for the purpose of having a patent for the invention of which he was the first inventor, Hubel obtained his new 6th claim. It is also true that the new claim is not simply a modification and limitation of the old claim, but is for a different and independent invention, and describes a very important, if not the essential, part of the machine, which had not been included in the claims of the original patent, or of the first re-issue. The original 6th claim was, on its face, for the combination of plate and moulds secured thereto at regular intervals, and I think it proper to include in the combination the frame also. Whether with or without the frame, it did not become an especially important part of the automatic cutting machine, until the knives, with their appurtenant mechanism, so related to the moulds and to rotating mechanism of some sort that they would cut the capsules upon the moulds, were added to the combination. The new 6th claim, which undoubtedly describes the most important part of Hubel's invention, includes also this series of cutting knives.

It was competent for Hubel to re-issue and omit the claim which was too broad, or, if that course was practicable, to re-state the claim, coupled with such restrictions as to bring it within the limits of his own original invention, but, it was not competent for him to go further and, besides omitting the claim, to insert one for a different and independent invention, and one which, so far as the claims are concerned, had never been the subject-matter of either original or re-issued patent.

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The new 6th claim, as was said in the prior decision, was not a limitation and narrowing of the invention which was described in the first re-issue, but it describes an independent invention.

Of course I do not intend to say that the narrowing of a claim, which inadvertently contained more than the patentee had a right to claim as new, may not be made in a re-issue after long delay, and that, to a certain extent, the invention of the re-issue may not thereby become a different invention from that which was contained in the too broad statement of the original patent. My decision is confined to the facts in this case, which are, that, although a claim in a re-issue may have been introduced for the purpose of stating the invention of the patentee, as a substitute for a claim in the original patent, wherein the invention was, by inadvertence, stated too broadly, yet, if the new claim describes and claims an invention altogether different from and independent of the invention described in the original claim, and which is a radical transformation of the invention as originally stated, and the re-issue was applied for five years after the date of the original patent, without adequate excuse for the delay, such new claim is void, by reason of the principles laid down in the various cases which were referred to in the prior opinion. Such a re-issue is not for the purpose simply of correcting the mistake of a too broad claim; it is also, and especially, for the purpose of correcting an error of judgment in regard to the character of the original claim, and for the purpose of obtaining a patent for an invention which had never been claimed.

The motion is denied.

Frederic H. Betts, for the motion.

Josiah P. Fitch, against the motion.

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In a suit *in rem*, in Admiralty, against a vessel to recover for personal injuries suffered by a laborer, while working on the vessel, through negligence for which the vessel is liable, if the plaintiff was guilty of contributory negligence, the damages will be divided.

(Before WALLACE, J., Southern District of New York, September 6th, 1886.)

WALLACE, J. The libellant, while engaged as a laborer upon the steamer, fell through an unguarded opening at a place at which he supposed there was a ladder and was hurt. The District Court, (24 *Fed. Rep.*, 860,) decided that the accident was attributable to the concurring negligence of both parties, and apportioned the damages to the libellant, by allowing him compensation for his immediate pecuniary loss in time and wages, and disallowing him for his pain and suffering or other consequential damages. The case has been brought here on appeal, to determine the question whether the rule of Admiralty for apportioning damages in collision is to be extended to ordinary actions for personal injuries sustained on board vessels by laborers, seamen, passengers, or others, by reason of the concurring negligence of the party injured and those for whose conduct the ship is responsible, or whether the rule of the municipal law is to prevail, which denies a recovery to a party when his own negligence has contributed to produce the injury.

If the rule which was adopted by the learned judge of the District Court could be sanctioned and applied generally in actions of the character of this, it could be flexibly adjusted to the equitable considerations of each case, and would thus enable a fair distribution of the loss resulting from the mutual fault of the parties to be made. But the Court cannot be controlled by this consideration. The question is not whether it would be convenient or salutary to adopt a new rule of responsibility or damages in actions other than those

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for a collision, but whether such a rule already exists and may therefore be applied. In the language of Lord Kenyon, "I cannot legislate, but by industry I can discover what our predecessors have done, and I will tread in their footsteps." Although it has been said, that, "in cases of marine torts, Courts of Admiralty are in the habit of giving or withholding damages upon enlarged principles of justice and equity, and have not circumscribed themselves within the positive boundaries of mere municipal law," and that "they have exercised a conscientious discretion upon the subject," (*Story, J., The Marianna Flora*, 11 *Wheat.*, 1, 54,) these observations do not imply that such Courts do not proceed upon settled rules equally with Courts of equity or of common law. The most certain evidence of these rules is to be found in the reports of their decisions. If these fail to denote the recognition of a principle, or the application of a rule, which is invoked in the case in hand, and the facts are not new, but are similar in substance to those which have frequently been the subject of judicial treatment, the absence of authority is persuasive evidence that no such principle or rule exists.

No authority is found for the rule of apportioning damages in cases of mutual fault, except in causes of collision, negligent navigation, and possibly of prize, in the decisions or in the text-books earlier than the recent case of *The Explorer*, (20 *Fed. Rep.*, 135.) The learned Judge who decided that case concedes that he had not been able to find "that, outside of collision and prize cases, the Admiralty Courts have claimed or exercised a different rule, as to cases of contributory, concurrent, or comparative negligence, from that applied generally in Courts of law and equity, in cases of damage and torts suffered on land." On the other hand, it has been repeatedly decided, directly or by implication, prior to the present case, by the District Courts in this Circuit, that, when the negligence of the party injured contributed to produce the injury he could not recover. In *The Germania*, (9 *Ben.*, 356,) Blatchford, J., stated the rule as follows: "The owner of a vessel is liable *in personam*, and the vessel is lia-

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ble *in rem*, for injuries done to person or property by the negligence of the master and crew of the vessel, only where the owner would, under same circumstances, be liable in a suit at common law." This was also assumed to be the rule, by Benedict, J., in *The Calista Hawes*, (14 *Fed. Rep.*, 493.) The members of the profession in this Circuit have hitherto acquiesced in these decisions, and the Circuit Court until now has never been called upon to question their correctness by an appeal. In *The Rheola*, (22 *Blatchf. C. C. R.*, 124,) it was also assumed by the Circuit Judge to be the rule, that the libellant could not recover for personal injuries if his negligence had contributed to produce them. That this has been the understanding of the law in other Circuits is manifest by the opinions of Deady, J., in *The Chandos*, (6 *Sawyer*, 544,) and in *Holmes v. Oregon R. Co.*, (*Id.*, 262,) and by the opinion of Hughes, J., in *The Manhasset*, (19 *Fed. Rep.*, 430.) See, also, *Henry, Admiralty Jurisdiction and Procedure*, (sec. 77.)

The rule of Admiralty, in collisions, apportioning the loss in case of mutual fault, is peculiar to the maritime law. It is not derived from the civil law, which agrees with the common law, in not allowing a party to recover for the negligence of another where his own fault has contributed to the injury. (*Wharton, Negligence*, sec. 300.) It emanated from the ancient maritime codes, and the reasons which are assigned by commentators, as commending it, are various and divergent. According to Cleirac, 1 *Bell, Com.*, 469, (6th ed. :) "This rule of division is a rustic sort of determination, and such as arbiters and amicable compromisers of disputes commonly follow where they cannot discover the motives of parties, or when they see faults on both sides." He thought its object was to prevent owners of old and worthless ships from getting them run down on purpose, in order to found a claim for excessive damages. Mr. Bell defends the rule upon expediency, "because," he says, "there appears to be no sufficient protection, without some such rule, for weak and small vessels against stronger and larger ships; the masters and

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crews of which will undoubtedly be more careless when they know that there is little risk of detection, and none at all of direct damage to their vessel, by which a smaller ship may be run down without injury to the assailant." Lord Denman, in *De Vaux v. Salvador*, (4 *Ad. & Ell.*, 420,) says: "It grows out of an arbitrary provision in the law of nations, from views of general expediency, not as dictated by natural justice, nor (possibly) quite consistent with it."

By the laws of most of the maritime States, the rule was applied indiscriminately, in collisions, when both vessels were to blame, when neither was to blame, and when the blame could not be detected. (*Abbott, Ship.*, 229.) In a recent article in the *Law Quarterly Review*, (July, 1886, vol. 2, p. 362,) Mr. Marsden traces the history of the recognition of the general maritime law on this subject by the English Admiralty Courts, and shows that, in the earlier cases, the rule of division of loss was applied when there was no fault in either ship, and when the cause of collision was uncertain, as well as in cases when both ships were in fault. Since *The Woodrop Sims*, (2 *Dods.*, 83,) the rule has only been applied in the case of both ships in fault; and, as thus applied, is now adopted as part of the general municipal law of England, by the Judicature Act of 1873.

In our own Courts it may still be regarded, perhaps, as an open question, whether apportionment is the rule where the fault is inscrutable as well as when both vessels are in fault, or whether only when both vessels are in fault. (*The Grace Girdler*, 7 *Wall.*, 196; *The John Henry*, 3 *Ware*, 264; *The David Dows*, 16 *Fed. Rep.*, 154; *The Comet*, 1 *Abb. U. S.*, 451; *The Breeze*, 6 *Ben.*, 14; *The Summit*, 2 *Curtis*, 150.)

If no trace is to be found of any doctrine of liability or rule of damages in cases of marine torts which is peculiar to the Admiralty, except that which obtains in cases of collision, and has exclusive reference to the conduct of ships towards each other and the faults or accidents incident to their navigation, resort may be had to the principles or analogies of the common law or of the civil law, when a new

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question arises; and it has also been said, that local statutes or general statutes not obligatory upon Courts of Admiralty furnish a rule of decision. (*The Highland Light, Chase's Decisions*, 150; *Steamboat Orleans v. Phœbus*, 11 *Pet.*, 175; *Steamboat Co. v. Chase*, 16 *Wall.*, 522, 531; *Cutting v. Seabury*, 1 *Sprague*, 522; *The Lottawanna*, 21 *Wall.*, 558.) Ordinarily, to determine the rights and remedies of parties for marine torts, the Courts recur to the rules of the common law, to ascertain what acts are marine torts. (*Peterson v. Watson, Blatch. & How.*, 487.) In the language of the decisions, marine torts are said to embrace wrongs committed by direct force and those suffered in consequence of the negligence or malfeasance of others, "where the remedy at common law is by an action on the case." (*Phil. W. & B. R. Co. v. Phil. Steam Towboat Co.*, 23 *How.*, 209, 216; *Leathers v. Blessing*, 105 *U. S.*, 626, 630.)

As has been stated, both the common law and the civil law agree in denying a right of recovery for negligence, when the negligence of the party injured has concurred in producing the injury. The reason for the rule is sometimes said to be based upon grounds of public policy, which require, in the interest of the whole community, that every one shall take such care of himself as can reasonably be expected; but the reason more commonly assigned why contributory negligence is never considered in mitigation of damages, but is deemed a complete defence, is, because "the law has no scales to determine, in such cases, whose wrong-doing weighed most in the compound that occasioned the mischief." (*R. R. Co. v. Norton*, 24 *Pa. St.*, 465, 469; *Greenland v. Chaplin*, 5 *Exch.*, 243, 247; *Wilds v. H. R. R. Co.*, 24 *N. Y.*, 430, 432.) The language of Strong, J., in *Heil v. Glanding*, (42 *Pa. St.*, 493, 499,) is as follows: "The reason why, in cases of mutual concurring negligence, neither party can maintain an action against the other, is, not that the wrong of the one is set off against the wrong of the other; it is that the law cannot measure how much the damage suffered is attributable to the plaintiff's own fault. If he were allowed to recover, it might

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be that he would obtain from the other party compensation for his own misconduct." It would seem that either of the reasons assigned should be as controlling with a Court of Admiralty as in a Court of common law. It is also to be observed, that the rule relates to the cause of action and denies any right of recovery, and is not one of damages, for ascertaining what measure of compensation should be awarded.

The question presented by this appeal is both novel and interesting. Cases similar to this are now frequently brought in the District Courts, but those in which the amount involved is sufficient to enable an appeal to be brought from this Court to the Supreme Court are very rare; and it follows that the decisions of the Circuit Courts must be accepted as final, and as definitely determining the law of such cases for probably many years. The judgment of the Circuit Court in the case of *The Explorer* is embodied in a carefully considered opinion and is entitled to great weight in this Court. But whatever doubts might be entertained of its correctness, or of the duty of this Court to yield to its authority as the judgment of a Court of co-ordinate jurisdiction, pronounced after full consideration, by a Judge whose opinions always command the highest respect, have been removed by a decision of the Supreme Court, which seems to have been overlooked by counsel as well as by the Judges who have hitherto considered the question involved. In *Atlee v. Packet Co.*, (21 Wall., 389,) there was an appeal in Admiralty from a decree of the Circuit Court of the District of Iowa, awarding damages to the owners of a barge which was injured by being run against a stone pier built by the respondent in a navigable part of the Mississippi river. The Circuit Court decided that the pier was an unlawful obstruction and decreed for the whole damages sustained by the libellant; but the Supreme Court, although agreeing that the pier was an unlawful structure, and that the respondent was liable, decided that the pilot of the barge was guilty of negligence for want of knowledge of the pier, and for hugging the shore, when, by proceeding further out, in deep water, his vessel would have

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been safe; and reversed the decree below, by dividing the damages. The question whether damages should be divided in such cases was considered and disposed of, Mr. Justice Miller delivering the opinion of the Court, in the following language: "But the plaintiff has elected to bring his suit in an Admiralty Court, which has jurisdiction of the case, notwithstanding the concurrent right to sue at law. In this Court the course of proceeding is in many respects different, and the rules of decision are different. The mode of pleading is different, the proceeding more summary and informal, and neither party has a right to trial by jury. An important difference as regards this case is the rule for estimating the damages. In the common law Court the defendant must pay all the damages or none. If there has been, on the part of plaintiffs, such carelessness or want of skill as the common law would esteem to be contributory negligence they can recover nothing. By the rule of the Admiralty Court, where there has been such contributory negligence, or in other words when both have been in fault, the entire damage resulting from the collision must be equally divided between the parties. This rule of the Admiralty commends itself quite as favorably, in its influence in securing practical justice, as the other, and the plaintiff, who has the selection of the forum in which he will litigate, cannot complain of the rule of that forum. It is not intended to say, that the principles which determine the existence of mutual fault, on which the damages are divided, in Admiralty, are precisely the same as those which establish contributory negligence at law that would defeat the action. Each Court has its own set of rules for determining these questions, which may be in some respects the same, but in others vary materially." Upon these views of the law, the collision rule for dividing damages can no longer be considered as applicable only to cases involving the rights and responsibilities of parties for colliding vessels. The principles enunciated apply to all cases of marine tort founded upon negligence, without regard to any peculiar considerations of maritime policy for regulating the conduct of

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ships towards each other, or to any exceptional rules of practice adopted by the Admiralty Courts, because of the intrinsic difficulty, in collision cases, of locating the fault or the cause of the disaster. This decision covers the whole ground and fully sustains the ruling in *The Explorer* and in the District Court.

The decree of the District Court is affirmed.

James A. Patrick, for the libellant.

Wilhelmus Mynderse, for the claimant.

PHILIP J. A. HARPER AND OTHERS

vs.

ROBERT W. SHOPPELL.

A person who makes an electrotpe plate which is a copy of an "important, substantial and material part" of the plaintiff's copyrighted illustrated newspaper, and sells the plate to the proprietor of another illustrated newspaper, knowing that it will be used by him in publishing the latter, infringes the plaintiff's copyright.

(Before WALLACE, J., Southern District of New York, September 8th, 1886.)

WALLACE, J. Upon the conceded facts appearing in the stipulation filed for the purposes of the trial, the defendant has made an electrotpe copy of "an important, substantial and material part" of the plaintiffs' copyrighted illustrated newspaper, and sold the plate to the proprietor of another illustrated newspaper, published in the same city where the plaintiffs' newspaper is published, the defendant knowing, at the time of selling the plate, that it would be used by the purchaser for printing and publishing in such newspaper the

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matter copied by the defendant. Under such circumstances, the defendant is in no better position than he would be if he had himself printed and published the copyrighted matter in the purchaser's newspaper, because, as was stated in *Harper v. Shoppell*, (23 *Blatchf. C. C. R.*, 431,) he is to be regarded as having sanctioned the appropriation of the plaintiffs' copyrighted matter, and occupies the position of a party acting in concert with the purchaser who printed and published it, and is responsible with him as a joint tortfeasor. (*Wallace v. Holmes*, 9 *Blatchf. C. C. R.*, 65; *De Kuyper v. Witteman*, 23 *Fed. Rep.*, 871; *Travers v. Beyer*, 26 *Fed. Rep.*, 450.)

Judgment is ordered for the plaintiffs.

James W. Hawes, for the plaintiffs.

A. T. Gurlitz, for the defendant.

CHARLOTTE, DUCHESS D'AUXY

vs.

AGNES GORDON SOUTTER AND WILLIAM K. SOUTTER, EXECUTORS, &C. IN EQUITY.

On an accounting by executors under an interlocutory decree against them, in a suit in equity, one of them is a competent witness for himself as to a transaction between him and the testator, and the testimony is not excluded by section 858 of the Revised Statutes.

(Before WHEELER, J., Southern District of New York, October 6th, 1886.)

WHEELER, J. This cause has now been heard upon a motion to exclude the testimony of one of the executors upon the accounting heretofore decreed to settle the amount of the estate in the hands of the executors, one twentieth part of which is decreed, when ascertained, to the oratrix. The tes-

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timony is sought to be excluded under section 858 of the Revised Statutes, which provides that, in actions by or against executors, administrators, or guardians, in which judgment may be rendered for or against them, neither party shall be allowed to testify against the other, as to any transaction with, or statement by, the testator, intestate, or ward, with certain qualifications not here material. The testimony offered is as to a transaction between the testator and the executor offering himself as a witness. No judgment can be rendered in this action upon that transaction, however. The inquiry is incidental to taking the account, and not upon an issue which is the subject of a decree. Therefore, the testimony does not appear to come within the statute. (*Monongahela Bank v. Jacobus*, 109 U. S., 275.)

The motion to exclude the testimony is denied.

Lewis Sanders, for the plaintiff.

Vanderpoel, Green & Cuming, for the defendants.

THE GALILEO AND THE EDGAR BAXTER.

THE HEINRICH AND TONIO AND THE EDGAR BAXTER.

In suit in Admiralty, *in rem*, against two vessels, to recover for damages from a collision, the District Court dismissed the libel as to one vessel and awarded full damages against the other. The latter appealed, and the libellants, after appealing, abandoned their appeal, but they were heard in the Circuit Court, which reversed the decree of the District Court, and held both vessels to have been in fault: *Held*, that, although the libellants did not appeal, they could have a decree in the Circuit Court against the vessel as to which the libel was dismissed by the District Court, because the appeal on which the case was heard suspended the operation of the decree below, and brought up the whole case for a new hearing.

(Before WALLACE, J., Southern District of New York, October 12th, 1886.)

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WALLACE, J. Upon the settlement of the decree in this cause, (*ante*, p. 111,) the fact was first brought to the attention of the Court, that the appeal which had been taken by the libellants from the decree of the District Court had been withdrawn and abandoned, and, therefore, at the time of the hearing in this Court, the libellants were in the position of not having appealed from the decree.

The libel was filed against the tug Baxter and the steamship Galileo jointly, to recover damages to the bark of the libellants from a collision alleged to have been produced by the negligence of both the Baxter and the Galileo. Separate answers were interposed, each vessel denying negligence on its own part and asserting negligence on the part of the other. The District Court exonerated the Baxter and pronounced the Galileo solely responsible. The decree dismissed the libel as to the Baxter, with costs, and awarded the libellants their whole damages against the Galileo, with costs. The Galileo appealed from this decree, and so did the libellants; but, as now appears, the latter abandoned their appeal. Upon the hearing in this Court, the owners of the Baxter, as well as the libellants, appeared and litigated the cause. This Court reversed the decree of the District Court and pronounced both vessels in fault.

If the libellants had appealed, they would have been entitled to a decree in the form approved in *The Alabama and The Game Cock*, (92 U. S., 695;) that is, to a primary award against each vessel of a moiety only of the libellants' damages, with interest and costs, and a further award against each vessel of such part of the moiety of the other as the libellants might be unable to collect of the latter. But the point is now taken, in behalf of the Baxter, that, as the libellants did not appeal from the decree of the Court below dismissing the libel as to her, they cannot be heard except in support of the decree, and can have no decree against her in this Court; and it is insisted, for the Galileo, that, if there can be no recovery for the libellants as against the Baxter,

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they should not recover against the Galileo more than a moiety of their damages.

It is familiar law, that a party who does not appeal cannot be heard upon the appeal except in support of the decree below. This is the rule not only in Admiralty but also in equity. In suits at law against joint tort feors, when the defendants answer severally and not jointly, their interests are severed, and, if a judgment is recovered against one only, he may sue out a writ of error without joining the other defendant. (*Thomas v. Lane*, 2 Sumn., 1; *Cox v. United States*, 6 Pet., 172.) In such case, the only parties in the appellate Court are the one who takes the writ of error and the opposite party. The writ of error is a new suit, in effect, and, of course, the only questions brought up for review are those arising between those parties only, because the party who is not joined in the writ of error is no longer in the case.

This is not so, however, in Admiralty or in equity, where the appeal suspends the operation of the decree below and brings up the whole cause for a new hearing. Although a writ of error has been brought from a judgment at law, the judgment is nevertheless a bar and an estoppel until reversed. In equity, however, the decree does not have this effect, when an appeal has been taken. (See *Sharon v. Hill*, 11 Sawyer, 290.)

In suits in equity, the real controversy is often between parties who have been joined as defendants rather than between either of them and the plaintiff. An appeal by one defendant brings up the whole controversy, so far as it affects him, and all parties interested in supporting the decree appealed from are entitled to be heard, although no party except the appellant can be heard in support of the appeal; and, if the decree is affirmed, these parties are entitled to costs as against the appellant. In a case where the plaintiff's bill was filed against two defendants who separately claimed the same property, and, the plaintiff having obtained a decree, one defendant appealed, the Court, being of opinion that the other defendant was entitled to the property, dis-

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missed the bill, on the appeal, as against both defendants. (*Vaughan v. Halliday*, L. R., 9 Ch. App., 561; *Kent v. Freehold Land & Brick Making Co.*, L. R., 3 Ch. App., 493.)

In the present case, the libellants could have proceeded against either vessel, and recovered their whole damages, notwithstanding it might have appeared that the collision was produced by the contributing negligence of both. (*The Atlas*, 93 U. S., 302.) It was to obviate the hardship of compelling one vessel to pay the whole damages for a collision in which another vessel not sued was equally guilty with the vessel sued, that led to the adoption of Supreme Court rule 59, (112 U. S., 743,) by which the claimant of the vessel sued can require another vessel which contributed to the same collision to be proceeded against in the same suit. The object of this rule is to prevent a libellant from pursuing one vessel alone when two are equally responsible for the damages caused by a collision, and to require both, at the option of either, to be brought in, in order that a decree for a moiety of the damages may be made against each, when such a decree will fully protect the libellant.

The party most interested in supporting the decree of the District Court was the Baxter. Her owners were entitled to be heard in support of it, on the appeal, and they were heard. If their present contention is correct, either the Galileo has appealed in vain, because, although she ought to be held responsible primarily only for a moiety of the damages, she must now be held for the whole, or the libellants, who had no reason to be dissatisfied with the decree of the District Court, inasmuch as they were awarded their whole damages against the Galileo, must lose a moiety of the damages because they did not appeal and further litigate the cause for the benefit of the Galileo. The statement of such a proposition is its answer.

The decree will follow the form approved in *The Alabama* and *The Game Cock*. The libellants are entitled to the costs of the District Court, but not to the costs of this Court,

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and the Galileo is entitled to the costs of this Court against the Baxter.

Hill, Wing & Shoudy, for the libellants.

Foster & Thomson, for the Galileo.

Owen & Gray, for the Edgar Baxter.

IN THE MATTER OF THE EXTRADITION OF WILLIAM J.
FERRELLE.

Under section 5,270 of the Revised Statutes, a private person, not authorized by the Executive of a foreign Government, cannot institute a proceeding for the surrender of a fugitive from justice to such Government.

(Before BROWN, J., Southern District of New York, October 12th, 1886.)

BROWN, J. The prisoner is brought before me upon *habeas corpus*, and *certiorari* to proceedings had before a United States commissioner, upon his arrest, on the charge of having forged a note or draft on William Owen Parker, in Canada. The prisoner is entitled to his discharge, unless it appears that he is lawfully held. As the alleged crime was committed in Canada, there is no jurisdiction on the part of any officer of this Government to take cognizance of it, except in pursuance of some Act of Congress. So that the question virtually is, whether these proceedings, and the commitment under them, have been authorized by section 5,270 of the Revised Statutes, which is the only section that covers the case.

On behalf of the prisoner, it is alleged that the proceedings before the Commissioner were not instituted by the public authorities of Canada, or by any person authorized to represent the Executive of that Government. That presents

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two questions—one of fact, and the other of law. The question of fact is, whether the complaint, and the proceedings before the Commissioner under the complaint, were, in truth, made by persons who were authorized thereto by the Executive of Canada; and the question of law, if that was not the case, is, whether proceedings for extradition may be instituted, and can proceed, at the instance of private persons who may have been affected by the crime, but who have not been authorized by the Executive of the foreign Government to represent it in such proceedings.

There can be no question that, aside from the Act of Congress, a private citizen, either of our own country or of a foreign country, cannot, within our jurisdiction, institute proceedings on his own account for a crime committed in another country. In my judgment, section 5,270 of the Revised Statutes did not intend to give any such power to private persons. Its whole scope and language have reference to a treaty made with some foreign Government, and to proceedings for the purpose of carrying out treaty provisions; and it provides that, in such a case, and for such purposes, the officers named in this section, including the Commissioner, “upon complaint made under oath, charging any person found within the limits of any State, district or Territory, with having committed, within the jurisdiction of any such foreign Government, any of the crimes provided for by such treaty or convention,” may issue a warrant for the apprehension of the person so charged; and that if, on such hearing, the officer deems the evidence sufficient to sustain the charge, he shall certify the same, together with a copy of all the testimony taken before him, to the Secretary of State, that a warrant may issue upon the requisition of the proper authorities of such foreign Government.

The Commissioner or other officer has jurisdiction to proceed “upon complaint made under oath.” That means upon a “complaint under oath” in behalf of the foreign Government that is authorized by the existing treaty to have the surrender made. In other words, the Government that has

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the treaty right, must be the promoter of the proceeding. The Act was not intended to give a private person the authority to institute a proceeding upon his own option merely; and it would be a great hardship if that construction were given to it, because it would enable any private person to institute a criminal proceeding here upon a crime committed in a foreign country, and have the prisoner held for the considerable period of sixty days, without any one's knowing whether the foreign Government desired the proceeding, or desired the prisoner, to try him, or would ever exercise its option to demand the accused under the treaty. I cannot believe it was the intention of Congress, by this section, to give any such general authority to mere individuals and private persons.

Generally, complaints of this character have been made under the clear authority or sanction of the Executive of the foreign Government—ordinarily, through their consuls; some times directly, by papers sworn to by the foreign officers representing the Executive.

I should be inclined to hold that, at any time while the proceeding is pending before the Commissioner, proof might be produced to show that the persons who initiated the proceeding were really acting in behalf of the foreign Government, and that their action was sanctioned, ratified and adopted by the Executive.

In this case, the objection was seasonably taken before the Commissioner, that the proceedings were not prosecuted by the authority of the Executive of Canada, but that it appeared to be solely on the responsibility of private persons. The only evidence that I find in the record, bearing on that point, is not sufficient to show any action on the part of the Executive of Canada, adopting or sanctioning those proceedings as conducted on its behalf.

The evidence consists of a warrant issued by the Police Justice in Canada, to the local sheriff, for the arrest of the prisoner. But that warrant authorized action to be taken within the limits of Canada only, and not within the United

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States. The sheriff, who was present here, is not a representative of the Executive of Canada, and he gave no evidence of its authoritative action ; nor are the original affidavits procured from the files of the Police Magistrate's Court in Canada evidence of such action ; and that is all the evidence, so far as I understand, that was produced before the Commissioner, to indicate any sanction by the Executive of Canada of this prosecution.

Since the proceedings before the Commissioner were closed two weeks have elapsed, and up to this moment nothing is produced showing that the Canadian Government has authorized or adopted these proceedings. Counsel for the prosecution very properly has repeatedly desired express evidence of authority from the Canadian Government ; and, as it seems to me, the letters from the Attorney-General read to the Court show that that Government was not ready to give him any express authority in the matter. The consul, on being applied to, declined to take any part in it. Both replied that any authority from them was unnecessary. This Court holds otherwise, and that, where the proceeding is initiated by a person in his private capacity, and not as the accredited agent of the Executive of the foreign Government, the Commissioner must have satisfactory evidence, before the proceeding is closed, that the proceeding is promoted by the foreign Government, or carried on by its authority ; and that otherwise the proceeding should be dismissed, for want of authority. (*In re Kelly*, 26 *Fed. Rep.*, 852, 856.)

The fact that there is not even now, two weeks after the prisoner was committed to jail, any evidence of the sanction or adoption of these proceedings by the Executive of Canada, emphasizes the impropriety of allowing the proceedings to be initiated even by private persons in their individual capacity only, and of the injustice likely to arise from such a practice. I cannot sanction that practice, or give such a construction to the law as would authorize it. There is no practical necessity for it. The question here has nothing to do with the Executive mandate, or the warrant for the final delivery ;

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the only question is, upon whose complaint the proceedings are to be instituted. It is the foreign Government only that is entitled to the extradition of the accused. The initiatory steps for extradition must, therefore, be by authority of that Government and in its behalf. This proceeding having been instituted in the name of a private person only, and having been closed before the Commissioner without the production of any evidence that he acted by authority of the Canadian Executive, and even at this time, notwithstanding strong efforts by the counsel for the prosecution to have evidence of such authority furnished, none being produced, the proceedings should be quashed and the prisoner discharged.

Charles A. Hess, for the prisoner.

Charles Blandy, for the respondent.

ROBERT D. HUNTER

vs.

THE INTERNATIONAL RAILWAY IMPROVEMENT COMPANY.

The plaintiff, in necessary preparation for trial, took depositions *de bene esse* which were not used at the trial, because the defendant produced the witnesses: *Held*, that the expense of taking the depositions was taxable by the plaintiff, as part of his costs.

(Before BROWN, J., Southern District of New York, October 18th, 1886.)

BROWN, J. As the witnesses lived over 100 miles from the place of trial, the depositions were a necessary preparation for the trial on the part of the plaintiff. Had the plaintiff waived the use of the depositions by his own action, as by procuring the attendance of the witnesses, he could not tax both for the depositions and for attendance at the trial. But the defendant, it appears, had procured the attendance of the

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witnesses; and, the depositions being *de bene esse* only, that is, to be used conditionally upon the non-attendance of the witnesses, the plaintiff was not legally entitled to read the depositions when the defendant produced the witnesses in Court ready for examination. Section 865 provides, in general, that the depositions, in such cases, are not to be used; and such is the general rule in regard to depositions taken *de bene esse*. (*Patapsco Ins. Co. v. Southgate*, 5 *Pet.*, 604, 617; *Pettibone v. Derringer*, 4 *Wash. C. C.*, 215, 219; *Stein v. Bowman*, 13 *Pet.*, 209; *The Thomas and Henry*, 1 *Brock.*, 367; *Barron v. The People*, 1 *Comst.*, 386; *Guyon v. Lewis*, 7 *Wend.*, 26.)

There was, in this case, no waiver of the depositions by the party who had taken them, nor any voluntary substitution therefor of their oral testimony on the trial. These circumstances distinguish the present case from that of *Hathaway v. Roach*, (2 *Woodb. & Min.*, 63.)

As the plaintiff could not compel the attendance of the witnesses, and did not procure them, and was compelled to be at the necessary expense of taking the depositions, in order to prepare for trial pursuant to statute, his right, as the prevailing party, to tax this expense, cannot be justly taken away by the defendant's act in producing the witnesses at the trial. The taxation is, therefore, affirmed.

Ewing & Southard, for the plaintiff.

Dillon & Swayne and *David Keane*, for the defendant.

FIELD, CHAPMAN & FENNER

vs.

RICHARD R. HAINES AND OTHERS, AND TRUSTEES.

The directors of a private corporation in Vermont, who assent to the creation by the corporation of indebtedness exceeding in amount two-thirds of its

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capital stock actually paid in, are, by section 3,291 of the Revised Laws of Vermont, made personally liable for the excess; and section 1,067 provides, that actions founded on a contract, express or implied, may be commenced by trustee process: *Held*, that an action founded on such liability is an action founded on a contract, and may be commenced by trustee process.

(Before WHEELER, J., Vermont, October 30th, 1886.)

WHEELER, J. Section 3,291, Revised Laws of Vermont, provides, in respect to private corporations, that no debts shall be contracted by the corporation exceeding in amount two-thirds of the capital stock actually paid in, and that any director assenting to the creation of such indebtedness shall be personally liable for the excess; and section 1,067 provides, that actions founded on a contract, express or implied, may be commenced by trustee process. This action is brought against the defendants, as directors of the Bennington Woolen Mills, a private corporation to which this provision of the Revised Laws applies, to enforce their liability thereunder for an excess of indebtedness over the amount of capital stock paid in, assented to by them, and has been commenced by trustee process. Motions have been made and heard to dismiss the suit, as not founded on a contract, express or implied, and, therefore, not authorized to be commenced by trustee process. The liability of the directors is placed directly, by the statute, upon their assent to the creation of the indebtedness. They are to be presumed to know this law, and to know that, when they assent to the creation of such indebtedness, they assent to a liability on their part for the excess of such indebtedness above the paid up capital. The liability is not imposed because of anything done or omitted, apart from the making of the contract constituting the debt, but on account of the part taken by the directors in making that contract. By assenting to the act which makes the debt, they make themselves liable for the part of the debt that exceeds the capital. This part of the debt is prohibited, but not so, nor claimed to be so, but that it is binding upon the corporation; the contract creating the debt is not so illegal as to be void, and the assent of the directors is not. Their liability

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appears to be founded in their assent, which is, in its nature, a contract.

In the charter of the Jamaica Leather Company, (*Laws of Vermont*, 1858, No. 84,) it was provided that this company should not at any time contract debts exceeding three-fourths the amount of its capital paid in ; and that, if such indebtedness should exceed the amount aforesaid, the directors and stockholders should be personally holden to the creditors of said company. An action was brought to enforce this liability against stockholders, and the nature of the obligation came up for consideration. (*Windham Provident Institution v. Sprague*, 43 *Vt.*, 502.) In speaking of the stockholders, Ross, J., in delivering the opinion of the Court, said : " They can keep the indebtedness of the company within the limits fixed by the legislature, or they can extend the indebtedness beyond that limit, and voluntarily take upon themselves the relation of joint debtors to the creditors of the company." This construction by the highest Court of the State, of statutes of the State so similar, is controlling. (*Flash v. Conn*, 109 *U. S.*, 371.) And this construction does not appear to be in conflict with the decisions in other States. Where a liability is declared for some act or neglect in no way connected with the contracting of the debt, as for neglecting to file reports, it is undoubtedly penal. (*Wyles v. Suydam*, 64 *N. Y.*, 173 ; *Bank v. Bliss*, 35 *N. Y.*, 412 ; *Garrison v. Howe*, 17 *N. Y.*, 458 ; *Halsey v. McLean*, 12 *Allen*, 438.) But where, as here, the liability for the debt arises out of the assent to the contract creating the debt, it would seem to be that of a contracting debtor, and no case to the contrary has been noticed.

Motions denied.

Henry A. Harman, for the plaintiff.

James K. Batchelder, for a defendant and trustee.

James Barrett and *James C. Barrett*, for the trustees.

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ORLANDO W. BUTLER AND OTHERS

vs.

HANNAH M. BAINBRIDGE AND OTHERS. IN EQUITY.

The invention covered by letters patent No. 273,023, granted to Orlando W. Butler and Thomas W. Kelley, February 27th, 1883, for an improvement in paper for cards and circulars, namely, an invitation card with two or more folds, having embossed thereon panels to represent cards, upon which the printing is afterwards done, was new and useful, and patentable, and involved invention.

(Before COXE, J., Southern District of New York, November 16th, 1886.)

COXE, J. This is an action in equity, based upon letters patent, No. 273,023, granted to Orlando W. Butler and Thomas W. Kelley, February 27th, 1883, for an improvement in paper for cards and circulars. The purpose of the invention was to supersede the expensive and cumbersome method of pasting separate cards upon wedding invitations and similar papers, by substituting therefor a card having two or more folds, upon which the desired number of panels, to represent cards, are embossed or pressed out. On these raised panels the printing may afterwards be done. When the invitation is folded, the unsightly cavities produced by the process of embossing are concealed from view by one of the flaps of the paper. The cards, when finished, have the same general characteristics as their pasted predecessors, but, in addition, they are more symmetrical and uniform in appearance, can be manipulated with greater ease, are less liable to become soiled, and are about fifty *per cent.* cheaper.

The invention has received the marked approval of dealers in stationery and of the public. The patented cards have gone into general use, displacing the old devices referred to. The claims are as follows: "1. A circular or card having two or more folds, upon one or more of which are embossed or

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pressed out a raised panel or panels, to represent cards, upon which the printing is afterwards done, substantially as and for the purposes set forth. 2. In an invitation-card, a portion upon which is embossed or pressed out a panel or card for the invitation proper, in combination with folds, upon one or more of which is embossed a smaller card or cards for the names of the parties, substantially as herein shown and described. 3. The central portion, A, in combination with the folds B C, embossed cards D D, and embossed panel or bead E, all constructed as described, and for the purpose herein set forth and described."

The defences are lack of novelty and invention, and that the complainants are not joint inventors. Infringement of the first and second claims is admitted. The cards dealt in by the defendants are almost the exact counterpart of figure 2 of the drawings, and were sold in boxes marked with the date of the complainants' patent.

The defence that the complainants are not joint inventors is so purely formal in character, that it cannot be regarded with favor, unless it be shown that the action of the patentees in this regard was disingenuous or calculated to mislead the defendants. Nothing of this kind appears, and it is thought that, upon principle and authority, there can be little difficulty in sustaining, upon the merits, the action of the Patent Office in issuing the patent in its present form. (*Worden v. Fisher*, 11 *Fed. Rep.*, 505; *Barrett v. Hall*, 1 *Mason*, 447; *Hotchkiss v. Greenwood*, 4 *McLean*, 456, 461.) There is, however, grave doubt whether the defendants are in a position to present the question. The defence is not pleaded, and there is nothing in the answer which can fairly be construed to put the matter at issue. (*Walker on Patents*, §§ 440, 452.)

The question of novelty and invention remains to be considered. It is entirely clear that, at the time the complainants conceived the invention, in the fall of 1880, the art of embossing was old and well understood. Cards having smaller printed cards pasted upon them, and papers struck up with various figures, emblems and devices, including small

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rectangular panels, were all known to printers, engravers and stationers prior to this date. This, in brief, is a fair general statement of the art as it existed at the time of the invention.

The defendants have introduced in evidence nearly a hundred limiting and anticipating exhibits. It is not disputed that many of them are wholly irrelevant to the issues involved, and it is conceded that others had no existence prior to the invention. Of others it may be said, that the dates when they were first seen are wholly conjectural. In short, those which are definitely proved to have been before do not anticipate, and those which would anticipate are not definitely proved to have been before. The evidence is too vague, uncertain and indirect to satisfy the mind of the Court beyond a reasonable doubt, and to overcome the presumption of novelty arising from the patent itself. Unquestionably, however, the proof demonstrates that the field in which the complainants operated was at best a narrow one, and the question arises—is the patent, though it cannot be defeated for want of novelty, void for lack of invention? To this question it is by no means easy to give an entirely satisfactory answer. Each case must depend upon its own facts and circumstances. The perplexities which surround such controversies cannot always be solved by an examination of adjudged cases. They serve to illuminate the paths to be traversed, but he who desires to select the right one must depend largely upon his own judgment. Although the present case is very near the border line between invention and mechanical skill, it is thought the doubt which arises should be resolved in favor of the patent. No one ever did before what the complainants did, viz.: produce an invitation card with two or more folds, having panels, to represent cards, embossed thereon, upon which the printing is afterwards done. This particular structure is new, useful and inexpensive. It soon became popular; it supplies a need. Time and thought were required in its development. The obstacles which theretofore could only be surmounted by skilled labor were entirely eliminated. All this required

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something more than the labor of the mechanic. It amounted to invention.

The whole matter is well illustrated by a question and answer, quoted with approval upon the defendants' brief. One of the complainants was asked if he thought that, prior to October, 1880, persons of ordinary skill in the art would have been unable to produce representations of cards by embossing upon paper, and the answer was, "If they happened to think of it probably they would not." Exactly so. It is the presence of a thought like this which raises an ordinary mechanic to the plane of the inventor. Invention requires thought; mechanical skill does not. The one is the result of mental, the other of manual action. Grant that the invention is a simple one, that, when viewed from our present standing-point, it is hard to understand why the idea did not occur to some one long before, and yet the fact remains, that it never did, though something of the kind was long wanted. After giving the subject the best thought of which I am capable, I am convinced that to relegate these complainants to the condition of mere skilled workmen would be to do them a grave injustice.

In the light of the present, the idea of substituting hard rubber for other material, as a plate for holding artificial teeth, or of providing tubular kerosene lanterns with an irreversible current of air by means of deflectors, seems simple enough, and yet the men who *thought* of the things conferred lasting benefits upon the world and received the rewards of inventors. (*Lantern Company v. Miller*, 21 *Fed. Rep.*, 514; *Smith v. Goodyear Dental Vulcanite Co.*, 93 *U. S.*, 486.)

In *Crandal v. Watters*, (20 *Blatchf. C. C. R.*, 97,) the patent was for a box loop for carriage tops, made of thin metal, from which the loop was struck up. It was used as a substitute for the old leather housing. In sustaining the patent, the remarks of Judge Blatchford are so applicable to the case at bar that I quote briefly from the opinion. At page 102 he says: "Various old devices are introduced.
* * * But no article like the plaintiff's, capable of being

taken and used for the purposes for which the plaintiff's can be used, without alteration and adaptation, requiring invention, existed before. Almost all inventions, at this day, that become the subject of patents, are the embodiment and adaptation of mechanical appliances that are old. In that consists the invention. When the thing appears, it is new and useful. No one saw it before, no one produced it before, it supplies a need, it is at once adopted, all in the trade desire to make and use it, yet it is said to have been perfectly obvious, and not to have been patentable. Where an article exists in a given form and applied to a given use, and is taken in substantially the same form and applied to an analogous use, so as to make a case of merely double use, there is no invention. But it is very rarely that a thing of that kind secures a patent."

There should be a decree for the complainants for an injunction and an account, with costs.

James A. Whitney and L. E. Gilbert, for the plaintiffs.

Edwin H. Brown, for the defendants.

GEORGE R. OSBORN vs. H. L. JUDD & Co. IN EQUITY.

A preliminary injunction was not granted, to restrain the infringement of letters patent for a design for a banner rod, consisting of a conventional imitation of a straight twig with the bark on and slantingly cut ends, because of doubt whether the design showed sufficient genius or invention to be patentable.

(Before SHIPMAN, J., Southern District of New York, November 26th, 1886.)

SHIPMAN, J. This is a motion for a preliminary injunction against the infringement of a design patent. The design is sufficiently stated in the claim, which is as follows: "The

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design for a banner rod, herein shown and described, the same consisting of a conventional imitation of a straight twig with the bark on and slantingly cut ends.”

I have great doubt whether there is anything which shows genius, or which indicates the work of an inventive mind, and, therefore, whether there is anything patentable, in merely making a banner rod to imitate measurably a straight twig with the bark on. This natural and simple design for a banner rod would, I think, readily suggest itself to the upholsterer. There is so much reason to suppose that the section which relates to design patents demands the exercise of more genius than is exhibited in the patented design, that the motion should be denied.

Joshua Pusey, for the plaintiff.

Arthur V. Briesen, for the defendants.

ROBERT C. MACHESNEY

vs.

NORTON K. BROWN AND OTHERS. IN EQUITY.

A sealed assignment of letters patent for an invention, when executed by a person acting as an attorney, must be executed in the name of the principal, and purport to be sealed with his seal, in order to pass the title.

(Before WALLACE, J., Northern District of New York, November 27, 1886.)

WALLACE, J. The bill in this case is to restrain the infringement of letters patent for an invention granted to one Sweet, and the plea, which has been set down for argument, avers that the only title of the complainant to the invention is one derived by an instrument executed and delivered to the complainant by one Smith, which is set out in full in the

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plea. This instrument, in its first clause, describes Ira E. Smith as a party of the first part. The second clause recites that Smith, by power of attorney from Sweet, became the attorney of Sweet, for the purpose of selling and assigning the patent. The third clause recites that Machesney desires to purchase and has paid a consideration to Smith, and that Smith does thereby assign and set over all the right, title and interest he has in and to the said invention, and all the right, title and interest that said Sweet has. Then follows an attestation clause, reciting that Smith has set his hand and seal to the instrument. The instrument is signed "I. E. Smith," and has a seal.

The assignment must be held to be inoperative to pass the title of Sweet, upon the well settled rule, that a sealed instrument, when executed by one acting as attorney, must be executed in the name of the principal, and purport to be sealed with his seal, in order to bind the principal. It is true that an assignment of a patent for an invention is valid without a seal. This is so because the statute which creates the property in inventions, and regulates the manner of transferring the title, requires only an assignment to be in writing. But such an assignment is a muniment of title to incorporeal property, and, whether under seal or not, the question whether, when executed by an attorney, it is in form to bind the principal, is to be determined by the rule applicable to deeds and formal instruments under seal. (See *Wharton on Agency*, sec. 285.) As to the general proposition, that a contract under seal, by an agent for a principal, is not binding on the principal, unless it profess to bind him and be executed in his name as his contract, it is sufficient to cite *Elwell v. Shaw*, (16 *Mass.*, 42;) *Fullam v. Inhabitants of West Brookfield*, (9 *Allen*, 1;) *Townsend v. Hubbard*, (4 *Hill*, 351;) and *Kiersted v. Orange & Alexandria R. R. Co.*, (69 *N. Y.*, 343.) Although the assignment recites that Smith has a power of attorney from Sweet to convey the title, and purports to convey that title, as well as his own title, Smith assumes to transfer as vendor himself and not as the attorney for Sweet. The remarks of Story, J.,

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in *Clarke v. Courtney*, (5 *Pet.*, 319, 350,) are apposite: "The act does not purport to be the act of the principals but of the attorney. It is his deed, and his seal, and not theirs. This may savor of refinement, since it is apparent that the party intended to pass the interest and title of his principals. But the law looks not to the intent alone, but to the fact, whether that intent has been executed in such a manner as to possess a legal validity."

If, as was stated on the argument, the defendants claim under a title transferred to them directly by Sweet, and the real controversy is as to which title should prevail, the bill should make Sweet a party, and should contain appropriate allegations to show the complainant's equitable title to be prior in point of time to the title of the defendants, and notice to the defendants of the complainant's rights.

The plea is allowed, with costs. Leave is granted to the complainant to move to amend his bill.

Silas J. Douglass, for the plaintiff.

William H. Bright, for the defendants.

JAMES C. McANDREW

vs.

WILLIAM H. ROBERTSON, COLLECTOR OF THE PORT OF NEW
YORK.

Goods which were dutiable prior to the Act of March 8d, 1888, (22 *U. S. Stat. at Large*, 488,) and were made free by that Act, which took effect on July 1st, 1888, arrived in port on June 30th, 1888, but too late to go into public stores or bonded warehouse on that day: *Held*, that they were not free from duty.

(Before WHEELER, J., Southern District of New York, December 6th, 1888.)

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WHEELER, J. The plaintiff's goods, 200 tons of emery stone, on which by law, prior to the Act of 1883, there was a specific duty of \$6 per ton, arrived by the barque Teresina Bruno, at the port of New York, on June 30th, 1883, at about 3 o'clock P. M., and too late to go into public stores or bonded warehouse on that day. The 1st day of July was Sunday. On the 2d day of July the goods were entered for consumption as free. They were passed as free, on bond to pay such duties as they might be found liable to, and unloaded by the plaintiff. Afterwards the duty of \$6 per ton was assessed and paid by the plaintiff, under protest that they were free under the Act of 1883, and this suit is brought to recover the amount. By the Act of March 3d, 1883, (22 *U. S. Stat. at Large*, 488,) it was enacted that, on and after the 1st day of July, 1883, the following sections should constitute and be a substitute for Title 33 of the Revised Statutes; then follows a tariff of duties, in which emery stone is classed as free. By section 10, (*p.* 525,) it is provided, that goods in the public stores or bonded warehouses on the day when the Act should take effect, should be subject to no other duty than if the same were imported after that day, and that, if the duties had been paid, there should be a refund of the difference; and, by section 13, (*p.* 526,) that the repeal of existing laws, or modifications thereof, by that Act, should not affect any act done or any right accruing or accrued. It is not, and could not well be, claimed but that the right to duties on goods imported accrues on their arrival at the port of importation, with intent to unlade. (*United States v. Lyman*, 1 *Mason*, 482; *Prince v. United States*, 2 *Gall.*, 204; *Perot v. United States*, 1 *Pet. C. C.*, 256; *Meredith v. United States*, 13 *Pet.*, 486; *United States v. Cobb*, 11 *Fed. Rep.*, 76; *United States v. Benzon*, 2 *Cliff.*, 512.)

It is argued, however, that, as goods imported prior to this time and which had gone to bonded warehouse would come under the provisions of the new Act, it must have been the intention of Congress that these goods should; and that for this purpose the deck of the vessel should be considered the

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warehouse. This question must be determined by the apparent intention of Congress, which must be gathered from the language of the Act itself. Congress fixed upon the 1st day of July as the day when the new Act should take effect. The right to these duties, therefore, accrued under the old Act, and was saved by the 13th section, unless the provisions of the 10th section prevented. Those provisions do not include this merchandise in their description. Nothing is included but such goods as are in bonded warehouses or public stores at that time and are entered for consumption afterwards. These goods were on board the ship at that time, and not in the public stores or warehouses, in the sense of this section.

A verdict for the defendant is directed.

George B. Adams, for the plaintiff.

Henry C. Platt, (*Assistant District Attorney*), for the defendant.

THE BUFFALO INSURANCE COMPANY

vs.

THE PROVIDENCE AND STONINGTON STEAMSHIP COMPANY.

Where a witness residing in Buffalo attends the trial of a cause in the Southern District of New York, his travelling fees can be taxed only to the extent of 100 miles.

(Before COXE, J., Southern District of New York, December 16th, 1886.)

THIS was an appeal by the plaintiff from the disallowance by the clerk, on the taxation of costs, of travelling fees, for more than 100 miles, of a witness residing in Buffalo, who

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attended the trial of this cause in the Southern District of New York.

Carpenter & Mosher, for the plaintiff.

Wm. Henry Knox, for the defendant.

COXE, J. The taxation by the clerk is correct. The law is well settled in this Circuit, that the travelling fees of a witness residing out of the District can only be taxed to the extent of 100 miles. (*Anon.*, 5 *Blatchf.*, *C. C. R.*, 134; *The Leo*, 5 *Ben.*, 486; *Beckwith v. Easton*, 4 *Ben.*, 357.)

It is true that this rule may work injustice in some instances, but still greater injustice might ensue from the establishment of a rule permitting the successful party to tax the fees of witnesses brought from the remote corners of the Union, to testify upon a collateral or inconsequential issue, when their testimony could as well have been taken by commission.

Taxation affirmed.

HENRY L. BISCHOFFSHEIM

vs.

JOHN CROSBY, BROWN AND OTHERS. IN EQUITY.

A motion by the defendants in a suit in equity, that the plaintiff produce before an examiner, in the taking of proofs, certain classes of papers, alleged to be under his control, but not specifying any particular book, document or writing, will be denied.

The proper practice on the subject, in a suit in equity, pointed out.

(Before WALLACE, J., Southern District of New York, December 24th, 1886.)

WALLACE, J. This is a motion on behalf of the defendants Seligman and Brown, to compel the production by the

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plaintiff, for inspection, of books, papers and documents described in Exhibit A annexed to the moving papers. The proofs in the cause are taken orally before an examiner, and certain witnesses for the plaintiff have testified that the papers and documents are under the control of the plaintiff. The papers specified in Exhibit A are not any particular book, document or writing, but comprise all of a great number of several classes of papers, some of which may possibly be found, when examined, to contain evidence advantageous to the defendants in controverting the plaintiff's case or supporting their own case. The motion seems to have been made, and has been argued, upon the theory that either party to a suit in equity may call upon his adversary to exhibit for inspection anything and everything in writing under the latter's control, which may assist the party who makes the call. The case of *Coit v. North Carolina Gold Amalgamating Co.*, (9 *Fed. Rep.*, 577,) is cited as an authority in this direction. Notwithstanding this authority, it must be held that such practice cannot be sanctioned. Courts of equity and Courts of law have always been solicitous to protect parties and witnesses against any unnecessary inquisition into the contents of their private papers by those who have no interest in them, and exercise the power of assisting parties in obtaining a compulsory production of written evidence from their adversaries or from witnesses, only under well established restrictions.

In Courts of equity, a bill or a cross-bill, alleging that the defendant has in his possession or power documents or papers relating to the matters of the bill, which, if produced, will establish their truth, is the foundation of the proceeding. The defendant is required by the bill to admit or deny the truth of these allegations. If he admits having possession or power over any of the documents or papers, he is required by the bill, and is *prima facie* bound, to describe them either in the body of his answer or in a schedule to it. The plaintiff then moves the Court that the defendant may be ordered to produce and leave in the hands of the proper officer the documents and papers, with liberty to the plaintiff to take copies

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thereof. Upon this application the defendant may controvert the materiality of the evidence sought for, and he can, in any event, be required to produce only such documents and papers as are referred to in his answer to the bill. This is the ordinary and the only practice to compel the production of documents except under special circumstances, as where deeds or other papers contested as false or forged are ordered to be brought into Court for inspection.

In actions at law in the Courts of the United States, the proceeding is regulated by section 724 of the Revised Statutes. This section originated in the Judiciary Act of 1789. The provision of this Act was framed in order to confer power which did not theretofore exist at common law, in compelling the production of documents by parties upon motion. Sixty-two years later the provisions of this Act were copied and adopted in England, by section 6, chapter 99, Act of 14 & 15 Vict. Referring to this Act, it is said by Mr. Pollock, (*Power of the Courts of Common Law to compel Production of Documents*, p. 2:) "An order to inspect documents could hitherto, according to the practice of the Courts, be obtained only in a very limited number of cases; as where one party could be considered as holding a document as agent or trustee of the party seeking inspection, or where the applicant was a party to a written contract of which but one part was executed, or where one part had been lost or destroyed; and it was also in general considered necessary that the party applying should be a party to the instrument which he sought to inspect, and although a trial was sometimes postponed for the purpose of enabling a party to take proceedings in equity, yet wherever an application to the Courts of law was in the nature of a bill for discovery, they invariably refused to grant inspection. The insufficiency of both these methods of obtaining inspection has long been acknowledged, and has at length been supplied."

As the present suit is one in equity, the procedure authorized by section 724 does not apply. Its convenience may be admitted, but Congress restricted the practice to actions at

law, and to cases and under circumstances where the party might be compelled to produce by the ordinary rules of proceeding in chancery, thus manifesting in the plainest terms the legislative understanding that the established practice in equity was adequate on that side of the Court, and should not be enlarged beyond the limits which that Court had always maintained.

Parties to suits in equity, as well as in suits at law, are now competent witnesses in the Courts of the United States, by statute, and may now be examined at the instance of their adversary. As a witness, a party can be compelled by a *subpoena duces tecum* to produce books, documents and papers in his possession, the same as any other witness. (*Merchants' National Bank v. State National Bank*, 3 Cliff., 201.) He is bound to obey the writ and be ready to produce the papers in obedience to the summons. Like any other witness it is his duty to make reasonable search for the papers and documents required, if they are in his possession, (3 Chitty, Pr., 829); but before he can be required to exhibit their contents he is entitled to appeal to the discretion of the Court, if any sufficient reason exists to protect him from a disclosure.

If the case were now here upon a motion to compel the plaintiff, as a witness for the defendants, to produce the books, papers and writings described in Exhibit A, it would seem that he should not be required to exhibit them. The voluminous pleadings in the case, when analyzed, present a comparatively narrow controversy between the parties. The plaintiff's case rests upon the agreement entered into between Bischoffsheim and Goldschmidt and the railroad company, of the date of September 30th, 1873, and the agreement between Bischoffsheim and Goldschmidt and the defendants Seligman and Brown, evidenced by the letter of the date of September 29th, 1873. By force of these agreements, Bischoffsheim and Goldschmidt advanced, and the defendants Seligman and Brown received, certain moneys which were to be appropriated by the latter to specified purposes, and which became a trust fund in their hands for such appli-

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cation. The only issue between these defendants and the plaintiff is, whether this trust fund was appropriated by them, in whole or in part, pursuant to the agreement. As to the other defendants, the bill alleges that they received certain of the moneys which were a trust fund in the hands of Seligman and Brown, with notice of the trust, and applied them for other purposes; and as to these defendants the only issue is, whether they did so receive a part of the trust fund, and how much, if any, of it was not devoted to the purposes of the trust by them. All transactions between the firm of Bischoffsheim and Goldschmidt and the railroad company, or between them and third persons, which took place before the execution of the two agreements referred to, are wholly foreign to any issue which can be litigated in the present controversy. For this reason the books, papers and documents specified in Exhibit A, annexed to the moving papers, and which it is now sought to compel the plaintiff to produce, are not material or relevant.

The motion is denied.

Joseph H. Choate and *Charles H. Tweed*, for the plaintiff.

Wayne Mc Veagh and *Francois L. Stetson*, for the defendants.

ALFRED E. PAILLARD AND OTHERS

vs.

CHARLES BRUNO. IN EQUITY.

Under section 4,887 of the Revised Statutes, letters patent of the United States for an invention previously patented in a foreign country for a definite term, run for that term, and their duration is not shortened by the fact that the patentee failed to pay a stamp duty required as a condition of the continuance of the foreign patent beyond the term of 8 years from its date.

(Before WALLACE, J., Southern District of New York, December 28th, 1886.)

WALLACE, J. The bill of complaint alleges infringement by the defendant of letters patent of the United States, of the date of March 23d, 1875, granted to Charles Paillard, for an improvement in music boxes. The plea of the defendant alleges, in substance, that, prior to the grant of the patent in suit, the invention which is the subject of the patent had been patented by Paillard, in England, by letters patent of the date of October 26th, 1874, for the term of fourteen years, which grant determined before the commission of the acts of infringement complained of, to wit, October 26th, 1877, by the failure of the patentee to pay the stamp duty required to be paid by the terms of the English patent, as a condition of the continuance of the grant beyond the term of three years from its date. The plea presents the question, whether the patent in suit expired upon the failure of the patentee to pay the stamp duty which he was required to pay in order to prolong the existence of the English patent, or whether it does not expire until the expiration of the original term of the English patent. This question depends upon the meaning of that part of section 4,887 of the United States Revised Statutes which provides that "every patent for an invention which has been previously patented in a foreign country shall be so limited as to expire at the same time with the foreign patent, or, if there be more than one, at the same time with the one having the shortest term, and in no case shall it be in force more than seventeen years." The defendant contends that Congress intended to declare that the patent shall not remain in force beyond that time when the foreign patent ceases to be in force, and that the right to the monopoly in the United States shall cease with the right to it in the country of the foreign patent.

The precise question has been considered and decided adversely to the defendant, in this Court, by Judge Wheeler, in the case of *Holmes Electric Protective Co. v. Metropolitan Burglar Alarm Co.*, (22 Blatchf. C. C. R., 471.) That decision was upon a motion for a preliminary injunction, and should not necessarily preclude further consideration upon a

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more deliberate hearing; but it is supported by the decisions in *Henry v. Providence Tool Co.*, (3 Bann. & Ar., 501,) and *Reissner v. Sharp*, (16 Blatchf. C. C. R., 383.) Both of these were cases in which the original term of the foreign patent had been extended subsequently to the grant of the United States patent, and it was contended that the prolongation of the term of the foreign patent, by an extension, prolonged correspondingly the term of the United States patent. It was held, in both cases, that the section in question should be construed to mean that the United States patent is to expire at the time of the original term of a foreign patent for the same invention. In *Henry v. Providence Tool Co.*, Mr. Justice Clifford said: "Congress employs the words 'the foreign' patent evidently referring to the term of the foreign patent to define the term of the domestic patent," and his conclusion was reached upon the consideration that Congress could not have intended to grant a patent for an indefinite term, or for an uncertain and undefined duration, which would be the case if its duration could not be ascertained by referring to the foreign patent, or were to depend upon any events occurring subsequently to the issue of the foreign patent. He also considered that the use of the word "term," in reference to a foreign patent, when there is more than one, indicates that the time of expiration is to be ascertained by the term of the patent, and because the use of the word "term," in reference to a foreign patent, when more than one such patent exists, indicates what was meant as the time of duration. In *Reissner v. Sharp*, the force of these considerations was recognized by Judge Blatchford, in reaching the same conclusion. According to the construction thus placed upon the section, it should be read as though it declared that the United States patent is to expire at the same time with the term of the foreign patent previously obtained for the same invention, or, if there be more than one, at the same time with the one having the shortest term. Upon this construction, the duration of the term of the United States patent is fixed when the patent issues, according to the maxim, *id certum est quod*

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certum reddi potest. Upon any other construction, neither the Commissioner of Patents, nor the patentee, nor the public would know the duration of the grant. The term of a patent is the period of duration expressed in the grant. It may be terminated by operation of law, or by the act of the parties, at an earlier time; and, consequently, it might happen that of two patents the one having the shortest term may have the longest life. Unless the true meaning of the section is as indicated, the patent might expire, if there were two foreign patents, at the same time with the one having the longest term, and, in a case like the present, by the non-payment of a stamp duty, notwithstanding the language of the section, that, in such case it is to expire with the one having the shortest term.

The prior legislation of Congress does not throw any light upon the question of legislative intent, and the argument that it was the intention of Congress to provide that the exclusive right to the invention here should cease with the exclusive right of the patentee in any foreign country, rests solely upon the language of the section. Such was not the purpose of the Act of July 4th, 1836, or the Act of March 3d, 1839, both of which enabled a patentee to enjoy a monopoly here when his invention had become public property abroad. Supposed considerations of policy are a very unreliable guide in the interpretation of statutory law, when they are not derived from the law itself, or Acts *in pari materia*; and the argument in the present case would tend to a construction of the section which would fix the duration of a United States patent by the extension of a foreign patent, or the renewal of one capable of prolongation, like an Austrian patent.

The plea is overruled.

Louis C. Raegener, for the plaintiffs.

John R. Bennett, for the defendant.

Lewis v. The New England Fire Insurance Company.

ANDREW B. LEWIS, JUNIOR*vs.***THE NEW ENGLAND FIRE INSURANCE COMPANY.**

A policy of fire insurance was to become void if the assured did not own in fee simple the ground on which the building stood. The assured had a written contract with the fee simple owner of the ground to buy it, had paid the consideration, and had gone into possession, but the deed had not been delivered, though without the fault or neglect of the assured: *Held*, that the policy did not become void.

(Before WHEELER, J., Vermont, December 29th, 1886.)

WHEELER, J. This is an action on a fire insurance policy, in which the defendant, on various conditions, insured the plaintiff against loss by fire or lightning, on his steam saw and stave mill. The policy was to become void if, among other things, the assured was not the sole and unconditional owner of the property; or if any building intended to be insured stood on ground not owned in fee simple by the assured; or if the interest of the assured was not truly stated in the policy; unless consent in writing should be endorsed by the company thereon. The defendant has, by plea, set out these conditions and alleged, in substance, that the plaintiff had no title or right to the property insured, or the ground on which it stood, except by virtue of a contract in writing betwixt him and the owner of the property in fee simple, signed by both, by which the owner agreed to sell, transfer and convey by deed of quit-claim, to the plaintiff, all the property, in consideration of the full and complete payment of three notes of the plaintiff, described; possession of the property, and full payment of the notes, by the plaintiff; with failure to deliver the deed without fault or neglect of the plaintiff. To this plea the plaintiff has demurred, and the cause has now been heard on this demurrer. The question raised by this demur-

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rer is whether, on these facts, the plaintiff became the sole and unconditional owner of the property insured, and the owner in fee simple of the land. If he did not, as there was no consent in writing on the policy, it was by its terms void.

According to these allegations, the plaintiff had bought the property, including the land, of the owner in fee simple, had paid for it, and got it. There was no condition about the manner of his acquiring it, by which he could be disturbed in his possession and enjoyment of it. No one is shown to have any color of claim whatever but the holder of the prior legal title, and he had left in him the bare record title, without ownership. In equity, the plaintiff could successfully resist any attempt on his part, by legal proceeding or entry, to deprive the plaintiff of the property or land, or of their possession. The plaintiff so had and held the property that he could defend his right to and possession of it against all the world. This is nothing less than sole and unconditional ownership. By the terms of the contract, the property, including the land, was to be conveyed to the plaintiff. This would signify that the whole interest in the whole was to be conveyed, and the contract would not be answered by the conveyance of a mere life estate, leaving the remainder in him who had agreed to convey the whole. Nothing short of a deed to the plaintiff and his heirs would be a fulfilment. The plaintiff, therefore, held the whole for his heirs, and his heirs for ever, all of whom were included within himself, as well as for himself. His estate would descend to his heirs, and it was the whole interest in the land and property. "Tenant in fee simple is he which hath lands or tenements to hold to him and his heires for ever." (*Litt., sect. 1; Co. Litt., 1, a.*) The title by which they are held is immaterial. The description is answered if he hath them to so hold. The estate in the land, and the title by which the estate is held, are distinct from each other. (1 *Wash., Real Prop., chap. 3, pl. 4.*) By statute, in Massachusetts, a person "having an estate of inheritance or freehold in any town," with certain conditions, gained a settlement in that town. It was held that a mere equitable estate, resting on a bond for a deed,

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was sufficient to give a settlement under this statute. (*Orleans v. Chatham*, 2 *Pick.*, 29; *Scituate v. Hanover*, 16 *Pick.*, 222.) And a person occupying land without title, but whose possession was protected by the statute of limitations only, was held to have an estate of inheritance, so as to gain a settlement, if the other conditions were fulfilled. (*Brewster v. Dennis*, 21 *Pick.*, 233.) In Vermont, a pauper is not removable from his freehold, and a mere equitable freehold is sufficient to prevent removal. (*Walden v. Cabot*, 25 *Vt.*, 522.)

The object of these and similar conditions, in this and like policies, is to make sure that the person seeking insurance is the real and substantial owner of the property, or interest in it, on which he intends to obtain insurance, and thereby to prevent wagering policies and fraudulent losses. The state of the title otherwise than in this view is not material. Therefore, in actions on policies of insurance, the person having the whole interest has been held to be the true owner. (*Hough v. Insurance Co.*, 29 *Conn.*, 10; *American Basket Co. v. Insurance Co.*, 3 *Hughes*, 251; *Franklin Fire Insurance Co. v. Crockett*, 7 *Lea*, 725; *Gaylord v. Insurance Co.*, 40 *Mo.*, 13; *Pelton v. Insurance Co.*, 77 *N. Y.*, 605; *Insurance Co. v. Simons*, 96 *Penn. St.*, 520, 527; *Chase v. Insurance Co.*, 22 *Barb.*, 527, 535; *Insurance Co. v. Dougherty*, 102 *Penn. St.*, 568; *Insurance Co. v. Haven*, 95 *U. S.*, 242; *Carrigan v. Insurance Co.*, 53 *Vt.*, 418.) The cases cited in behalf of the defendant do not appear to be to the contrary. In *Columbian Insurance Co. v. Lawrence*, (2 *Pet.*, 25, 42,) and *Smith v. Insurance Co.*, (6 *Cush.*, 448,) the condition of the bond for a deed to the assured had not been complied with. These are the most directly in point of any that have been noticed.

The demurrer is sustained, and the plea adjudged insufficient.

William G. Shaw, for the plaintiff.

Joel C. Baker, for the defendant.

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SAMUEL P. KITTLE

vs.

FRANK A. HALL AND OTHERS. IN EQUITY.

Claims 1 and 2 of letters patent No. 98,505, granted to Samuel P. Kittle, January 4th, 1870, for an improved spiral spring for mattresses and furniture, are valid.

Claim 3 was inserted in the application more than 4 years after the application was filed, and more than 2 years after articles containing what is covered by the claim were sold with the knowledge and consent of the patentee. Claim 3 is, therefore, invalid.

Under the circumstances of this case, a delay of 7 years in bringing suit on the patent was held not to bar the right of action in equity.

The defendant held to infringe claims 1 and 2.

(Before COXE, J., Southern District of New York, January 3d, 1887.)

COXE, J. This action is for the infringement of letters patent, No. 98,505, granted to the complainant, January 4th, 1870, for an improved spiral spring for mattresses and furniture. The double cone or hour-glass spring is constructed by having one or more of its central coils wound at right angles to its axis, instead of spirally, as before. When several of these springs are used, as in a mattress, for instance, the central coils are all on the same horizontal plane, so that, when strips of cross-webbing, fastened to a suitable frame, are passed between the coils, the springs are held firmly in a vertical position.

It is asserted by the patentee, that, prior to his invention, the spring in use could not be successfully supported in the middle or held in a vertical position. It had a tendency to "bag out." The specification provides for a slight wooden frame to support the webbing and the springs. The webbing, having its ends secured to this frame, is passed through and fastened to the central horizontal coils, each strip of webbing passing alternately over and under the strip, crossing

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at right angles. The middles of all the springs are thus held in the same relative position, their full elasticity is preserved, and durability is assured.

The claims are as follows : " 1. A spiral spring for use in mattresses, furniture, etc., so constructed that its central coil or coils are wound at right angles to its axis, substantially as and for the purposes set forth. 2. The combination of a spiral spring, when constructed as described, with the cross-webbing C C and frame D, or their equivalent, when arranged to support such spring, substantially as and for the purposes set forth. 3. In a spring mattress, having the springs supported from or at their centre, the arrangement of a rattan or a like flexible border, attached to the outer edges, at bottom and top, of the outside rows of springs, to furnish a suitable support to keep the ticking in line, but which will also yield as any spring or part of the mattress is compressed."

The defences are, first, that the complainant has no title to the patent; second, that he is guilty of laches; third, abandonment; fourth, lack of novelty; fifth, non-infringement. To the third claim several distinct and separate defences are urged, which will be stated hereafter.

There is no flaw in the complainant's title. On the 31st of December, 1877, he was forced into bankruptcy. The adjudication vested the title in the Court. On the 11th of April, 1878, the register in charge assigned all the property, as provided by law, to De Witt C. Weeks, the duly appointed assignee. On the 28th of January, 1879, Weeks sold and assigned the patent to Francis C. Devlin. Six days thereafter Devlin assigned it to Theodore Wilkins, who held it until the 8th of October, 1884, when it was transferred by him to the complainant. On the 4th of October, 1878, the complainant was discharged in bankruptcy by the District Court. The chain of title is perfect. No valid accusation can be made against it.

The proposition that the bill cannot be maintained because of the laches of the complainant is a most perplexing one. The solution of it has been rendered more difficult from the

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fact that the complainant's brief, so full and exhaustive upon other branches of the case, makes only casual and passing allusion to the question, which is elaborately presented upon the brief of the defendants. The facts bearing upon this question are as follows: In the autumn of 1865, the patentee conceived the invention. On the 4th of January, 1870, the patent was granted. In February 1885, fifteen years thereafter, this action was commenced. In 1875 a suit for infringement was commenced against one James V. Schenck, but the proofs were not completed and it was never brought to a final hearing. No step appears to have been taken in it after July, 1877. No other action was at any time commenced.

In the autumn of 1877 the defendants commenced making the infringing mattresses. They were made under a patent granted to James I. Spencer, July 24th, 1877, for an improvement in spring bed bottoms. In November, 1877, the defendants issued a circular to the trade, in which they insisted, in most vigorous and uncompromising language, upon their right to manufacture under the Spencer patent, and closed with these words: "We have only to say, in conclusion, that Mr. Kittle must do one of two things; he must stop interfering with our business, or he must bring suit upon his patent and thus give us a chance to see how little it amounts to. If he does not do one thing or the other of these he will soon find himself defendant, instead of plaintiff, in a lawsuit." The complainant appears to have chosen the first of these alternatives; for, from that time until this suit was commenced there was no more interference with the defendants or their customers, except he testifies that he told the defendant Hall, in April, 1882, that a day of reckoning was approaching and he wished him to keep a strict account of his sales. From December, 1877, neither the complainant, nor any of the intermediate owners of the patent, have manufactured, or asserted any right, under it, except as before stated. The assignees, with the exception of Mr. Devlin, who held the patent but a short time, all knew of the infringement, by

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the defendants not only, but by the trade generally, and yet they made no move to prevent it, though frequently urged to do so. In short, the patent, from the fall of 1877, has been pirated upon by the whole trade. Since then no one has respected it.

On the 4th of February, 1876, the defendants, then doing business at Philadelphia, took from the complainant a license to make and vend the patented mattress in that city, for one year. The license provided that, in case of the failure of the defendants to perform the conditions of the license, the same was to become null and void and all rights and privileges under it to cease and determine.

These are the facts. Bearing in mind the theory upon which equity takes cognizance in patent causes, as established by the decision of the Supreme Court in *Root v. Railway Co.*, (105 U. S., 189,) it becomes important to ascertain what the law is, as applicable to these facts. The accumulated wisdom of a multitude of precedents has established the principle, that he who invokes the protection of a Court of equity must be "prompt, eager and ready" in the enforcement of his rights. Equity will not encourage a sleepy suitor. As time passes, memory fails, witnesses die, proof is destroyed, and the rights of individuals and of the public intervene. Long acquiescence and laches can only be excused by proof showing excusable ignorance or positive inability to proceed on the part of the complainant, or that he is the victim of fraud or concealment on the part of others; a mere "imaginary impediment or technical disability" is not enough. The Court will not entertain a case when it appears that the complainant or those to whose rights he has succeeded have acquiesced for a long term of years in the infringement of the exclusive right conferred by the patent, or have delayed, without legal excuse, the prosecution of those who have openly violated it. These propositions are, it is thought, abundantly sustained by the following authorities: (*Piatt v. Vattier*, 9 *Peters*, 405; *Wyeth v. Stone*, 1 *Story*, 273; *McLaughlin v. People's Railway Co.*, 21 *Fed. Rep.*, 574; *Spei-*

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dell v. Henrici, 15 *Fed. Rep.*, 753; *The Fleming*, 9 *Fed. Rep.*, 474; *Estes v. Worthington*, 23 *Blatchf. C. C. R.*, 65; *Barden v. Duluth*, 28 *Fed. Rep.*, 14; *Wagner v. Baird*, 7 *How.*, 234; *City of Concord v. Norton*, 16 *Fed. Rep.*, 477; *Badger v. Badger*, 2 *Wall.*, 87; *Wollensak v. Reiher*, 115 *U. S.*, 96, 101; *Brown v. County of Buena Vista*, 95 *U. S.*, 157; *Lansdale v. Smith*, 106 *U. S.*, 391; *Godden v. Kimmell*, 99 *U. S.*, 201; *Maxwell v. Kennedy*, 8 *How.*, 210; *Sperry v. Ribbons*, 3 *Bann. & A.*, 260; *Curtis on Patents*, §§ 440, 441; *Walker on Patents*, §§ 596, 597; *Pomeroy, Eq. Jur.*, §§ 418, 419.)

In the present case, it is argued, with considerable plausibility, that the complainant, from the date of his patent until the commencement of this action, with the exception of the abortive and abandoned suit against Schenck, has made no active effort to stop infringements, although they commenced before the patent was issued, and continued, with the knowledge of the complainant, until they were well nigh universal; and that the public had a right to assume, from this profound silence and supineness, that the patentee, and his successors, had relinquished any claim which they might possess.

The complainant seems to proceed upon the theory, that, if it can be shown that he personally is free from negligence, it is sufficient, and that he shows this when it appears that the title passed out of him when he was adjudicated a bankrupt, and that, when he obtained it again, in October, 1884, he used due diligence in prosecuting infringers. The proposition stated thus broadly cannot be maintained. A party who purchases a patent which has for years been freely plundered by a multitude of trespassers does not answer the charge of laches by showing that he commenced, immediately after he acquired title, to bring the wrongdoers to account. Such a fact is of no more interest to a defendant sued for infringement than the fact that the last holder of an outlawed note brought an action upon it without delay, is to the maker of the note. But, so far as these defendants are concerned, it cannot be maintained that there was any laches

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until they stood out from under their license and boldly proclaimed their purpose to continue the manufacture under the Spencer patent. This was in November, 1877. A month later the complainant was in bankruptcy. It was not until the 12th of April, 1878, that the patent was transferred to the assignee in bankruptcy. - He held the title until the 28th of January, 1879. During this period, when the patent was in the Court of bankruptcy, negligence can be imputed to no one. For several months the title was suspended and no action could have been maintained, and as to the remaining time it cannot be maintained that it is the duty of an assignee in bankruptcy to institute suits for the infringement of a patent owned by the bankrupt, and that his failure so to do is negligence. Wilkins held the patent from February 3d, 1879, until October 8th, 1884, and no valid reason is discovered in the record why he could not have made some effort to prevent the patent from being plundered. It appears, however, that the complainant early commenced negotiations with Wilkins, looking to a re-assignment of the patent, and that, early in 1882 the defendant Hall had notice that the complainant still asserted its validity and intended to hold him to a strict account for his actions. Furthermore, it is entirely clear that, whatever may be said as to other manufacturers, the defendants were not misled. The defiant challenge of their circular leaves no doubt that they had made up their minds as to the course to be pursued, and that they did not intend to desist unless prevented by the command of the Court. So, the simple question is—will equity refuse to entertain a cause, where, in the circumstances disclosed by this record, there has been a delay of about seven years in its prosecution? The question is an interesting one and is by no means free from doubt, but it is thought, taking into consideration the fact that the delay has been partially accounted for and excused, that the case is, in some respects, *sui generis*, and that no precedent has been discovered for the dismissal of a bill for laches extending through so short a period, that it should be answered in the negative.

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It is entirely clear that the invention must be confined to what is covered by the first and second claims.

The accusations urged against the third claim are so numerous that it will be impossible to consider them all. It is said that the drawings which relate to it are defective; that the subject-matter of the claim was abandoned to the public; that no application was ever filed for the invention which it covers; that it is for a mere aggregation and not for a patentable combination; and that it is void for uncertainty.

It is by no means an easy task to place an intelligent construction upon this claim. The expert witnesses do not agree as to what it includes, and, in one instance, at least, the same witness, when he is again called to testify, greatly modifies his first opinion regarding it. It may be said, that if the broad construction suggested is adopted the claim is anticipated; if the narrow one is taken the defendants do not infringe.

But the manner in which the claim found its way into the patent was irregular and, it would seem, illegal, and the public acquired vested rights in the invention covered by the claim years prior to its first appearance in the Patent Office. The application was filed November 28th, 1865. It recites, that the petitioner has invented, not a new mattress, but a new improved spiral spring, and prays that a patent may issue therefor. No other application was ever filed. The patent, when issued, was for a spring alone. The claims of the original specification, three in number, related only to the spring and the "former" on which it was constructed. The application was rejected. A year later, the patentee, after correspondence with the Commissioner, forwarded amendments, omitting the claim for the "former," and substituting the present second claim for the proposed third claim, so that the patent then had but two claims—the first and second as they now appear. On the 10th of December, 1866, the application was re-examined and again rejected. Nothing more was done until November 22d, 1869, when

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a request was made by the complainant, through his solicitor, for a re-examination of the case: This was granted and the patent allowed about the 27th of the same month. Three weeks thereafter, on the 17th of December, 1869, the solicitor wrote the Commissioner proposing, if it was not too late, that the present third claim should be inserted. It was inserted. So far as appears from the file wrapper, the attention of the Patent Office was never called to the third claim, until December, 1879, and then only by this letter of the solicitor. For more than two years prior to the first suggestion of this claim, mattresses embodying all its elements were, with the knowledge and consent of the complainant, bought and sold in the open market. In this connection it is worthy of comment, that one of the defendants testifies that the complainant repeatedly informed him, in substance, that his invention was confined to the spring and the mode of fastening it, and that the third claim could not stand the test of a judicial examination. This testimony is not denied.

Assume that the patent had been granted in 1865 for a spring as prayed for, and, on the 17th of December, 1869, four years later, the complainant had petitioned for a new or re-issued patent, covering the combination of the third claim. It needs no citation of authorities to prove that such a proceeding would not have been received with favor by the Court; and yet, how is the position strengthened by an attempt to graft the invention upon an application which will not sustain it, especially when it is shown that during the interval the invention went into public use? In *Railway Co. v. Sayles*, (97 U. S., 554,) Mr. Justice Bradley, at page 563, says: "It will be observed that we have given particular attention to the original application, drawings and models filed in the Patent Office by Thompson and Bachelder. We have deemed it proper to do this, because, if the amended application and model, filed by Tanner five years later, embodied any material addition to or variance from the original—anything new that was not comprised in that—such addition or variance cannot be sustained on the original applica-

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tion. The law does not permit such enlargements of an original specification, which would interfere with other inventors who have entered the field in the meantime, any more than it does in the case of re-issue of patents previously granted. Courts should regard with jealousy and disfavor any attempts to enlarge the scope of an application once filed, or of a patent once granted, the effect of which would be to enable the patentee to appropriate other inventions made prior to such alteration, or to appropriate that which has, in the meantime, gone into public use." (See, also, *Eagleton Mfg. Co. v. West, etc., Mfg. Co.*, 111 U. S., 490, and *at Circuit*, 18 Blatchf. C. C. R., 218; *Planing-Machine Co. v. Keith*, 101 U. S., 479; *Fruit Jar Co. v. Belaire Co.*, 27 Fed. Rep., 377, 381; *Lindsay v. Stein*, 20 Blatchf. C. C. R., 370, 376; *U. S. Rifle Co. v. Whitney Arms Co.*, 14 Blatchf. C. C. R., 94; *Consolidated Fruit Jar Co. v. Wright*, 12 Blatchf. C. C. R., 149, and 94 U. S., 92; *Bevin v. East Hampton Bell Co.*, 9 Blatchf. C. C. R., 50.)

It is asserted that the invention, confining it to the spring and the means of fastening it, is void for lack of novelty. The proof shows that, prior to the patent, it frequently happened that double cone springs, made of iron wire, which was then in use, "broke down" in the centre. This occurred from accident or want of skill in the maker. When in this condition they were regarded as second class or damaged springs, and were sold as such, for use in cheap and inferior furniture. The central coils which thus happened, in some instances, to be at right angles to the axis of the spring, were not of the same size, so that, when in use, the smaller coil would frequently pass through the larger, thus causing the spring to rattle. These springs did not break down in the same place and were incapable of performing the functions of the patented spring, even if any one had thought of putting them to this use; but no one ever did. Neither the damaged spring, nor the French patent, nor any of the other references, is sufficient to defeat the patent. The evidence all falls far short of that clear and convincing proof which is

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required in such cases. (*Coffin v. Ogden*, 18 Wall., 120; *Coburn v. Schroeder*, 19 Blatchf. C. C. R., 377; *Webster Loom Co. v. Higgins*, 15 Id., 446; *Herring v. Nelson*, 14 Blatchf. C. C. R., 293; *Wood v. Cleveland Rolling Mills Co.*, 4 Fisher, 550; *Putnam v. Hollender*, 19 Blatchf. C. C. R., 48; *Howe v. Underwood*, 1 Fisher, 160; *Clough v. Barker*, 106 U. S., 166.)

The defendants infringe. The Spencer spring used by them is constructed with a vertical bend or bearing-loop at the central axis of the spring. This bend or pin passes through a metallic eyelet in the webbing. The spring is so wound that on either side of the webbing there is a horizontal or nearly horizontal coil, at right angles to the axis of the spring, which helps to support the spring in a vertical position. A portion of the central coil is wound at right angles to the axis, and there is a level bearing of the spring upon the webbing. It is quite likely an improvement, but, nevertheless, it performs all the functions of the patented spring.

The questions argued relating to the amount of damages and profits can best be considered upon the coming in of the report of the master.

The complainant is entitled to a decree for an accounting upon the first and second claims of the patent.

James P. Foster, for the plaintiff.

James A. Whitney, for the defendants.

The Jackson and Sharp Co., &c. v. The Burlington and Lamoille R. R. Co.

THE JACKSON AND SHARP COMPANY AND THE DIAMOND
STATE IRON COMPANY

vs.

THE BURLINGTON AND LAMOILLE RAILROAD COMPANY AND
OTHERS. IN EQUITY.

Where a bill to foreclose a mortgage on a railroad in Vermont is filed by citizens of New Jersey against a Vermont railroad corporation, in the Circuit Court of the United States for the District of Vermont, such owners only of the bonds secured by the mortgage as are not citizens of Vermont will be allowed to be made co-plaintiffs.

As the statute of Vermont allows to mortgagors time to redeem before sale, on foreclosure, the Court will allow the same time to redeem.

According to the law of Vermont, the principal of the bonds will carry interest, after due, at the rate in the bond, and the coupons, after due, at the usual rate allowed in Vermont.

(Before WHEELER, J., Vermont, January 5th, 1887.)

WHEELER, J. This bill is brought by the orators, in behalf of themselves and all others in like interest, to foreclose a mortgage of the railroad of the defendant railroad company, made to trustees to secure \$200,000 of its bonds, payable to bearer, in five years from date, which was November 1st, 1878, with interest at seven *per centum* per annum, semi-annually. The orators are citizens of New Jersey; the defendant railroad company is a citizen of Vermont; and the railroad is situated there. It is alleged in the bill that the bonds became due, and the condition of the mortgage broken, by non-payment, and that the orators afterwards applied to the trustees to foreclose the mortgage and enforce the security, and that they refused to do so. This is admitted in the answer; and no question is made about the validity of the mortgage, or the bonds, nor but that they were due and unpaid at the bringing of the suit.

The case has been to a master to take an account of the mortgage debt, and he has made report. From his report it

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appears that the orator the Jackson & Sharp Company is the owner and holder of \$13,000 of the principal of the bonds, on which there is due, reckoning the interest at seven *per cent.* from the time they fell due as well as before, and interest on the instalments of interest at six *per cent.*, the usual legal rate in Vermont, from the time they respectively fell due, in all \$18,109.65; and that the orator the Diamond State Iron Company is the owner and holder of \$9,000 of the principal of the bonds, on which there is due, reckoning interest in like manner, \$13,791.19. All the holders of the other bonds respectively presented them and proved the amount due before the master, and he has reported the names of the holders and the amounts due to them on the bonds. Some of them have asked and obtained leave of Court to become parties as orators to the suit, on contributing a ratable proportion of its expense. It does not appear, however, that any of them have so in fact availed themselves of the leave of Court as yet to have become such parties. The report does not show but that some or all of them are citizens of Vermont. Such citizens cannot be parties plaintiffs in the prosecution of this suit in this Court, limited as it is, in suits of this kind, in jurisdiction, to suits in which there is a controversy between citizens of different States. (*Act of March 3d, 1875, 18 U. S. Stat. at Large, 470; Sup. Rev. Stat., 173.*) Therefore, this leave of Court should be so modified as to permit the owners and holders of such bonds as are not citizens of this State to become parties plaintiffs in this suit, on the terms mentioned. These proceedings before the master by the others may, however, be useful in case there shall be a sale of the property and distribution of its avails in the course of the suit. The orators are entitled, under the circumstances, separately to foreclose the mortgage, independently of the other bondholders, and, if the foreclosure results in a sale, the proceeds are to be distributed according to the rights of all in the property. (*Chicago & Vincennes Railroad Co. v. Fosdick, 106 U. S., 47.*)

The orators have not, in the prayer for relief, prayed a

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sale, but, at the hearing, have asked a sale, under the general prayer for any proper relief. By the laws of Vermont, as recognized and administered by the Courts of the State, mortgagors are entitled to time to redeem on foreclosure, and to one year, unless the security is inadequate, or there are other special reasons why the time should be shortened. This is a right of property which attaches to the mortgage, and must be regarded and preserved in a suit for foreclosure in the Courts of the United States, although the procedure in such a case is according to the practice of Courts of the United States and not according to the practice of the Courts of the State, in equity, if the practice differs. (*Brine v. Insurance Company*, 96 U. S., 627; *Connecticut Mutual Life Insurance Company v. Cushman*, 108 U. S., 51.) The usual course of the Courts of the United States appears to be to decree a sale in the end on foreclosure, as is shown by these cases, care being taken to so carry out the proceedings as to protect all the rights of the mortgagor. This cannot be done in this case without giving time to redeem before sale, and, as the security is not shown to be inadequate, a year must be given, which, as is sometimes done in the State Courts, may be reckoned from the first day of the term, to which time the computations of the master have been made. If the sum due the orators, with the costs, is paid within that time, including those, if any, who come in and become parties plaintiff, under the leave of Court as modified, all right to a sale or to further proceedings in this cause will be ended. Therefore, no decree for a sale, or decision as to whether the orators are entitled to a decree for a sale, under the prayer of the bill as framed, is now made, but the cause is retained for further proceedings and directions in that respect, on failure, if any, to redeem.

Question has been made as to the right to the special rate of seven *per cent.* interest after the falling due of the bonds. This is a Vermont contract, to be construed by the laws of Vermont. This question arose upon bonds and mortgage of the Rutland and Burlington Railroad, in *Cheever and Hart*,

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Trustees v. The Rutland & Burlington Railroad Company et als., in the Supreme Court of Vermont, the highest Court of the State, at the General Term, 1869, not reported in the State reports. In that case it was held that the principal of the bonds bore interest at the special rate after they were due as well as before, and the interest coupons at the usual rate allowed by law, from the time when they fell due. (*Opinion by Steele, J., Pamphlet*, 18, 19.) The reckoning stated from the master's report is in accordance with this decision, which is controlling upon this question. These are all the points about which any question has arisen.

The master's report is accepted and confirmed. The leave heretofore granted to bondholders to become parties plaintiff is so modified that bondholders not citizens of Vermont may become such parties at any time before the 1st day of March, 1887, by entering an appearance for that purpose, with consent to share ratably the expenses of this suit. And let a decree be entered to the effect that, unless the defendants, within one year from the fifth day of October, 1886, pay to the orator the Jackson & Sharp Company the sum of \$18,109.65, and to the orator the Diamond State Iron Company the sum of \$13,791.19, and to such other bondholders as shall become parties plaintiff, pursuant to the leave granted, the several sums due them respectively, as shown by the master's report, with interest on all of the sums, respectively, from the fifth day of October, 1886, to the time of payment, together with the costs of this suit, they be foreclosed of all equity of redemption in the premises; and this suit is retained for further proceedings and directions, in case of such failure.

Luke P. Poland, for the orator.

Eleazer R. Hard, for the defendants.

THEDA M. JUNE vs. JOHN J. WILLIS. IN EQUITY.

In this case a deed of land from the plaintiff to the defendant was set aside for undue influence, and because of the confidential relations between the parties.

(Before COXE, J., Northern District of New York, January 12th, 1887.)

COXE, J. This is a suit in equity to set aside a deed executed by the plaintiff to the defendant, on the ground of fraud and undue influence, and because of confidential relations existing between the parties. The plaintiff, her sister and the children of a deceased brother were, on the 16th of December, 1884, the day the deed was executed, entitled each to an undivided one-third interest in a farm situated in North Salem, Westchester county, New York. This farm had been the property of John J. June, another brother, who died in February, 1884, leaving a will, by virtue of which the plaintiff acquired her interest.

At the time of the transaction in question the plaintiff was a maiden lady, seventy-seven years of age. Her property consisted in this interest in her brother's real estate, an unliquidated claim against his estate of about eight thousand dollars, and fifteen hundred dollars in money. She had no other property or other means of support. The defendant was an active business man, in the prime of life. He was the favorite nephew of the plaintiff. For seventeen years he had invested what little money she possessed and had her unlimited confidence. This is conceded. It is by no means easy to arrive at an accurate estimate of the value of the property conveyed to the defendant. Although the proof regarding it is far from satisfactory, it is thought that it was worth between two thousand and three thousand dollars; probably not far from twenty-five hundred dollars. The estate of John J. June was in a confused and unsettled condition. The personal property was insufficient to pay the

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claims against it. The settlement of the estate had perplexed and worried the plaintiff and her sister, Mrs. Margaret J. Willis, the defendant's mother. The two old ladies had lived at the homestead for many years. They hoped to retain possession of the farm, to own it, and to spend their remaining days upon it. To this end their best efforts were directed. Before it could be accomplished, however, it was necessary to purchase the interest of the children of their deceased brother and discharge other encumbrances upon the place. This required the command of, at least, two thousand dollars ready money. How to secure this sum was the problem which confronted and annoyed them.

The plaintiff is and was possessed of a perfectly sound mind. She is a woman of intelligence, but at the time in question she was feeble in body; she complained frequently of headache and was worried and nervous about the settlement of the estate. In these circumstances she sought the defendant for counsel and advice. As a result of several interviews with him she went, in his company, to White Plains and signed the deed in question. She testifies that in these interviews he promised to take the place of a lawyer and act for her as her adviser and friend, but said that it would be impossible to do so intelligently without some written authority from her; that, when she signed the deed, she supposed it was simply a power of attorney; that she had no idea that she was making an absolute conveyance.

After a careful examination of the testimony, the conviction cannot be resisted that her contention in this regard is true—that it was not her intention to vest irrevocably in the defendant the title to her property. That a woman nearly eighty years of age, dependent for her support upon her own scanty means, should thus voluntarily and without advantage divest herself of the most valuable share of her property not only, but give up the title to the home where she had lived for over thirty years and around which clustered a multitude of sacred associations, retaining only the right to a precarious

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residence upon the premises, is hardly credible. What was she to gain? What motive had she for such a course? The deed was without adequate consideration. There is nothing to uphold it. The theory that it was given for past and future services cannot be sustained, in the light of the fact that she was not bound to pay the defendant for the slight service he had rendered in investing small sums for her from time to time, and the other fact, that there was no obligation on his part to render any service in the future. There is nothing in the deed, or in any other writing, which requires the defendant to do any act or pay any money for her or on her account. She has given him property worth twenty-five hundred dollars and has received nothing in return. So far as the written transaction is concerned, he may refuse to raise his finger in her behalf, and she will be without remedy. But even had the consideration suggested by the defendant been expressed in the deed, or in another writing, it would have been entirely out of proportion to the value of the interest received by him.

Not only is the plaintiff corroborated by numerous presumptions, but many declarations of the defendant's witnesses are hardly compatible with the theory that the deed was an absolute one. A forcible illustration of this is found in the letter of the defendant's sister written soon after the deed was executed. She says: "John (the defendant) is simply seeing to Fea's (the plaintiff's) affairs, which she says she cannot do, that she cannot think; when the thing is settled John gives up, but he could not act for her without authority." The plaintiff's version of the transaction could hardly have been stated more concisely.

It is not at all material what name was given to the paper by the plaintiff; she may have understood that it was a deed; she may have called it a deed. But this matters not when the testimony clearly indicates that she signed it only for the purpose of giving the defendant authority to act in her name and not to give him an adverse title to the property. The proposition, in brief, is this: A woman nearly eighty years

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of age, worried, anxious and in feeble health, seeks a trusted relative and friend, in whose good faith she has the most implicit confidence, for sympathy and advice. Her object is to devise some means by which her sister and herself can obtain title to an outstanding interest in the farm which had been her home for many years. A few days elapse, and the adviser and friend appears as the absolute owner of her own interest in the farm. For this he pays nothing. No advantage or benefit to her at all commensurate with the value of the property is proved, no rational motive for her act is suggested. She insists that she did not intend to convey the property absolutely and had no idea that she was doing so. A deed given in such circumstances is repugnant to the principles of equity and cannot be upheld.

The plaintiff is entitled to the relief demanded in the complaint.

H. D. Donnelly, for the plaintiff.

W. G. Peckham, for the defendant.

EDGAR HOLLIDAY AND OTHERS

v8.

WILHELM PICKHARDT AND OTHERS. IN EQUITY.

In a suit in equity brought to restrain the infringement of letters patent No. 250,247, granted to John Holliday, assignor, November 20th, 1881, and to vacate letters patent No. 250,201, granted to Heinrich Caro, assignor, the same date, each claiming a coloring matter as a product, and each claiming a process of converting rosaniline into a sulpho-acid: *Held*, that, as between Holliday and Caro, the former was the prior inventor of the product and process of his patent; and that a dye stuff having the properties specified in that patent can be produced by following its description of the process.

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Each process will produce a tri-sulpho acid of rosaniline.

The second or process claim of the Holliday patent is void for want of novelty.

The defendants are not estopped from contesting the validity of the claims of the Holliday patent, by reason of the fact that, in an interference declared by the Patent Office between the two applications, they contended that the subject-matter of the claims was patentable, and that Caro was entitled to a patent as the prior inventor.

The first or product claim of the Holliday patent is valid, and is not limited to an article produced by the process of the second claim.

(Before WALLACE, J., Southern District of New York, January 31st, 1887.)

WALLACE, J. This suit is brought to restrain infringement of letters patent No. 250,247, dated November 29th, 1881, issued to John Holliday, assignor, etc., and also to vacate letters patent No. 250,201, of the same date, now owned by the defendants, issued to Heinrich Caro, assignor, etc. Both patents claim a chemical product, as a new article of manufacture, and the process by which it is produced. The product claimed in each is a coloring matter having specified properties or characteristics, and the process claimed in each relates to the conversion of rosaniline into a sulpho-acid, which is capable of being used in an acid dye bath, and, when so used, will retain the original rosaniline or magenta color.

The application for the Holliday patent was filed in the Patent Office December 24th, 1877, and the application for the Caro Patent was filed March 28th, 1878. Interference between the two applications was declared July 2d, 1878, and, after the taking of the proofs, priority was awarded by the primary examiner to Holliday, February 11th, 1881. Subsequent proceedings took place in the Patent Office to ascertain, among other things, whether the specimen product filed by Holliday at the time of his application was the dye-stuff in controversy, and whether such dye-stuff could be produced by following the process of the Holliday application; and a decision resulted in favor of Holliday. An appeal was taken from the decision of the primary examiner by Caro, but this was withdrawn before the decision of the appeal to the Com-

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missioner of Patents. No material amendment was subsequently made in the Caro application ; and the action of the Patent Office in issuing a patent to each applicant is denounced by the plaintiffs as unwarranted, and is justified by the defendants upon the hypothesis that the applications were, in fact, for different inventions. The proofs sustain the findings of the Patent Office, that Holliday was the prior inventor of the process and product of his patent. They also sustain the decision of the Patent Office that a dye-stuff having the properties specified in the Holliday patent can be produced by following the description of the process in the patent.

The primary question in the case is, whether the product claim of the Caro patent is for the same new article of manufacture embraced in the product claim of the Holliday patent, and whether the process claim in each patent is for the same invention.

The material parts of the Holliday patent are as follows :
“ The coloring-matter which I operate upon is known commercially as ‘rosaniline,’ ‘fuchsine,’ ‘magenta’ or ‘aniline-red,’ these being classed as aniline-reds. It is well known that, owing to the character of rosaniline, the coloring matter thereof cannot be employed, either alone or mixed with other coloring matters, where the process of dying or printing requires the employment of an acid or acid mordant. I have discovered that the aniline-reds before referred to may be converted into new coloring-matters, still retaining the same color possessing acid properties, and thus be rendered capable of being employed in the presence of acids or acid mordants. I submit the before-mentioned rosaniline, separately or conjointly, to the action of sulphuric acid, in such a manner as to convert it into a sulpho-conjugated rosaniline, the same being a new article possessing properties different from any rosaniline ever produced before my invention. In order to make the desired conversion, I use about ten pounds of rosaniline or its salts, (by preference anhydrous chloride of rosaniline,) and dissolve it in about fifty pounds of fuming sulphuric acid.

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I operate either at the ordinary or at a moderate temperature until the conversion into the new coloring matter or compound is complete. The desired result may be ascertained by testing a portion of the mixture, and, when the coloring matter contained therein is found to be soluble in caustic alkali, the operation may be considered at an end. * * * I have found that, in making combinations such as described, it is well to employ fuming sulphuric acid gauging from 69 to 70 degrees Beaumé. I claim, as my invention: 1. The sulpho-conjugated compound of rosaniline, possessing the properties specified, as a new article of manufacture. 2. The method herein specified of manufacturing the within-described sulpho-conjugated compound of rosaniline, substantially as set forth."

The material parts of the Caro patent are as follows: "This invention relates to a dye-stuff or red coloring matter, which is obtained by acting upon fuchsine with crystallizable sulphuric acid, commonly called 'anhydrous sulphuric acid,' by which is formed a tri-sulpho compound of rosaniline. The dye-stuff called 'fuchsine' is also known under the names of 'roseine,' 'magenta,' and 'ruby.' In carrying out my invention, I take ten kilograms of fuchsine, which has been dried at 110 degrees centigrade, and add thereto, little by little, forty kilograms of crystallizable sulphuric acid, commonly called 'anhydrous sulphuric acid,' under constant agitation, while the temperature of the mixture must not be allowed to sink below 120 degrees centigrade, nor to rise above 170 degrees centigrade. A sample of the mass is supersaturated from time to time with an alkali, such as soda-lye, and, if a clear yellowish solution is produced without a precipitate, the conversion is completed. The thick fluid mass which is obtained by this conversion is easily soluble in water, and, after it has been dissolved, it is treated with milk of lime. * * * The characteristics of the new dye-stuff or coloring matter prepared from fuchsine in the manner above described are as follows: First, by a surplus of alkali its aqueous solution is changed from a fuchsine-red to a light yellow; second, the

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dyeing on wool is done in a boiling dye-bath, with the addition of mineral acids or acid mordants, such as are commonly used in dying or printing; third, it produces on wool nearly the same shades of color which are produced with ordinary fuchsine, from which it is derived; fourth, the color obtained on wool is only changed with great difficulty by strong acids; fifth, this product is the compound whose name, in strict chemical language, is 'tri-sulpho acid of rosaniline.' What I claim as new, and desire to secure by letters patent, is: 1. As a new article of manufacture, the dye-stuff or red coloring matter having the characteristics above set forth. 2. The within described process for producing a new dye-stuff or red coloring matter, by the action of crystallizable sulphuric acid, commonly called 'anhydrous sulphuric acid,' or 'fuchsine,' substantially in the manner set forth."

The testimony of the experts for the plaintiffs, to the effect that, although the descriptions of the process differ in the respective patents somewhat, those skilled in the art cannot fail to recognize their essential identity, and that both processes will produce a tri-sulpho acid of rosaniline, is accepted as established by the proofs; and the proofs demonstrate, beyond a fair doubt, that this is so, unless hypercritical and irrational meaning is applied to the descriptive terms of the process of the Holliday patent and the process is practiced in accordance with such an interpretation.

According to the process of the Holliday patent, the material to be treated is rosaniline or its salts, by preference anhydrous chloride of rosaniline, and this material is to be dissolved in fuming sulphuric acid, preferably gauging from 69 to 70 degrees Beaumé, in the proportion of 10 pounds of rosaniline to 50 pounds of sulphuric acid. If the description denotes that the rosaniline to be employed is to be in fact anhydrous, or practically so, and that the fuming sulphuric acid to be employed is to be of such a degree of strength as may be ascertained with practical precision by the reference to the degrees Beaumé, it is conceded substantially, by the expert witnesses for the defendants, that the process is,

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in essentials, the process of the Caro patent and will produce the coloring matter specified in the claim of that patent. As is stated in the original application for the Caro patent, the proportions or the ingredients used, and the temperatures of the operation, admit of a wide range, and depend in a great measure upon the degree of concentration of the acid employed. The final treatment of the sulpho-acid in accordance with the processes of the patents, which consists in reducing it to the condition of a lime soda or potash salt, and diluting it with a foreign material for convenience for commercial purposes, is not of the essence of the invention and does not require consideration. The acid solution of the sulpho compound can be used directly in the dye-bath, either alone or mixed with other colors which will dye in an acid bath.

It seems entirely clear, that the rosaniline preferably to be employed is, according to the specification, to be practically anhydrous, when used in the process of conversion. There is no commercial article known as anhydrous chloride of rosaniline. The language is addressed to those who understand that crystalline substances like rosaniline absorb moisture, and must be dried in the proper degree before the residuum will become anhydrous. The term used has no meaning unless it implies that the rosaniline is to be subjected to the ordinary treatment required to render the article an anhydrous chloride; and it is significant, that, when the experts for the defendants undertook to follow the process of the patent, to ascertain whether Holliday's process would produce the tri-sulpho acid of rosaniline, they first dried the requisite quantity of fuchsine until it became anhydrous. It is also plain, that, according to the specification of the Holliday patent, the fuming sulphuric acid preferably to be employed is to be of a strength which those skilled in the art can readily determine by the reference to the degrees Beaumé, with sufficient accuracy for the practical purposes of the process.

Sulphuric acid to fume must contain sulphur tri-oxide in admixture with the mono-hydrate, and the tri-oxide is found only in a sulphuric acid of a strength indicated by a specific

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gravity of 1.855 or above. The strength of fuming sulphuric acid is usually gauged by the weight or gravity of the liquid, and by this test varies, according to the proofs, from about 1.85 to 1.97. One variety of the commercial article was known, at the date of Holliday's invention, as Nordhausen acid; and this was the article purchased, on different occasions, of dealers, by the experts for the defendants, for the purpose of following the specification of the Holliday patent, and it had a specific gravity of 1.89. The reference to the degrees Beaumé is intended to designate the density of the fuming acid, according to the Beaumé hydrometer scale. Although the original Beaumé scale has long been obsolete, reference to that scale, as one for determining the density of acids, alkalis and many other liquids, is not only common, but is generally employed in patents and industrial publications; and various tables based upon the Beaumé scale, notably those of Mr. Pemberton and Mr. Elliott, translating the degrees Beaumé into corresponding values of specific gravity, are found in the works of especial authority in this country. According to the estimates approved in the "United States Dispensatory," the specific gravity of the degrees Beaumé ranges from 1.9031 the lowest, to 1.921 the highest; and the specific gravity value for 70 degrees Beaumé, from 1.9291 the lowest, to 1.946 the highest. In view of these facts, which are substantiated by the proofs, the reference to the degrees Beaumé denotes, not with precision but with reasonable accuracy, that the sulphuric acid preferably to be employed is to be of a strength ranging from 1.9 to about 1.95 specific gravity; and the very elaborate arguments made by the experts for the defendants, based upon the facts they adduce, to show that the hydrometer test, according to the degrees Beaumé, is not scientific or exact, as a gauge of the strength of acids, and that the reference in the specification has no definite meaning, have no merit but ingenuity.

The first claim of each patent being for a coloring matter having specified characteristics, these claims interfere, whether

the sulphonated compound of rosaniline of the Holliday patent is a tri-sulpho acid or a tetra-sulpho acid. Each dyes in an acid bath and produces the same shade of color as the original fuchsine, and thus enables the dyer to apply to fabrics in an acid bath the exact shade of color which had been previously obtained by the use of fuchsine in neutral or alkaline baths, and accomplish what was never before done.

If, in the process of the Holliday patent, fuming sulphuric acid of a strength less than 1.89 specific gravity is used, the proofs indicate that the product will be a mono- or di-sulpho acid, although evidence is produced for the plaintiffs to show that an acid having a specific gravity of 1.88 is of sufficient strength to produce the tri-sulpho acid. Such a product does not have the properties which are required to identify the new article of the claims of the patent; it does not dye the original fuchsine color, but tinges that color with a purplish shade.

The specification of the Holliday patent advises the treatment of the anhydrous chloride of rosaniline with fuming sulphuric acid gauging from 69 to 70 degrees Beaumé, but does not make the employment of these specific kinds of rosaniline and fuming sulphuric acid essential to the process. It describes the ingredients and the process in terms sufficiently full, clear and exact to enable those skilled in the art to which the invention appertains to make and compound a coloring matter which will possess the characteristics specified in the first claim. But the specification authorizes a claim for the process of sulphonating rosaniline with fuming sulphuric acid in given proportions, without regard to the anhydrous condition of the rosaniline or the density of the sulphuric acid employed, and the terms of the process claim are commensurate with such a process. The process claim must, therefore, be construed as embracing the conversion of the rosaniline by means of fuming sulphuric acid, without respect to the anhydrous condition of the rosaniline or the peculiar strength of the fuming acid.

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Thus construed, the process claim is void for want of novelty. The art of sulphonating dye-stuffs by combining them with the elements of sulphuric acid and converting them into sulpho-acids is very old. The proofs show, that, prior to the date of the invention of Holliday, it was well known in the art, that, owing to the character of unsulphonated indigo, the coloring matter thereof could not be employed either alone or mixed with other coloring matters, where the process of dyeing or printing required the employment of an acid or acid mordant, and that the indigo, by being sulphonated, could be converted into new coloring matter, possessing acid properties and retaining substantially its original color, when used in an acid bath.

The proofs also show, that the process for sulphonating indigo was substantially the same as the process of the Holliday patent, disregarding the reference to the degrees Beaumé and the treatment of rosaniline to render it anhydrous. The treatment of the indigo subsequent to that part of the process which produced the acid solution was different, but probably not substantially so, and that part of the process, as has been already stated, is not of the essence of the Holliday invention.

It is unnecessary to consider the sulphonation of aniline blue by Nicholson in 1862, or the other cognate instances of the sulphonation of coloring matters. Enough has been shown to indicate that Holliday was not entitled to make a broad claim for a process of sulphonation which had been applied before the date of his invention to other coloring matters, to convert them into sulpho-acids. The use of these processes with rosaniline would have produced a sulpho-conjugated compound which might have been a mono- or disulpho acid, or an unchanged rosaniline mixed with traces of the tri-sulpho acid, but would not have produced a coloring matter which would retain the original fuchsine shade and quality, when used in an acid bath. His real invention consisted in discovering and adopting such modifications of the

old process of sulphonation as would produce something more than a mere mono- or di-sulpho acid of rosaniline.

It is unfortunate that the claim cannot be limited, without violence to its language and without disregarding well settled rules of construction, to one for the efficient process which is described as preferably to be employed. But a method or feature which is mentioned only by way of recommendation, in describing an invention, must generally be considered as a subordinate or secondary and not an essential part of the invention, and, in the absence of apt language in the claim, it cannot be read into the claim, even to limit the claim to the real invention of the patentee.

It is obvious, from an examination of the file wrapper, that, during the pendency of the application in the Patent Office, Holliday did not regard the employment of acid of the density indicated by the degrees Beaumé as essential. He intended to patent both the process in which the acid of high density is used and that in which an acid of a lower density is used. In his letter to the Commissioner of Patents of the date of May 11th, 1878, he admitted that the process of his treatment had been applied to Nicholson blues, and he insisted that his process was novel because he applied it to rose colors, and, when applied to rose colors, they would possess new properties. The language of the claim is appropriate to include any process which, when applied to rosaniline, will produce a sulpho-acid, and cannot be limited to the narrower process which produces the peculiar sulpho-acid which is the new article of manufacture of the second claim.

It has been urged, that the defendants are estopped from contesting the validity of the claims of the patent, in consequence of their action in the Patent Office, and cannot recede from the position they then took, that the subject-matter was patentable and that they were entitled to a patent because of priority of invention by Caro. If the plaintiffs had been misled, or induced to take action or incur expense, in consequence of representations or conduct on the part of the defendants which authorized them to suppose that they would

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obtain a valid patent, if they succeeded upon the issue of priority, the doctrine of estoppel might be invoked. It would be an exceptional case, where a party who has prevailed upon one issue or defence in a litigation, would be estopped from setting up a different defence in a subsequent suit brought by his adversary. Such a case might exist where the defence in the second suit is so inconsistent with that asserted in the first that both could not be true, or where the defence in the first suit was of a character to induce the plaintiff to change his ground of action and bring a second suit. An interesting example of the latter class is found in the case of *Philadelphia, Wilmington & Baltimore R. R. Co. v. Howard*, (13 *How.*, 307,) where the defendant, having defeated the plaintiff, in a prior action, by asserting and maintaining that a paper in its possession was sealed with the corporate seal of the defendant, was not permitted, in a second action, brought against it by the plaintiff, to defeat the action by proof that the seal was not affixed by the authority of the corporation. But it is not true, as a general proposition, that a party, by putting forward one defence in a litigation, is precluded from asserting another, against his adversary, in a subsequent suit between them; nor can the general proposition be maintained, that a contest in the Patent Office, upon the question of priority of invention, will forever foreclose the defeated applicant for a patent from assailing the validity of the patent upon other grounds. In the present case, there is no foundation for an estoppel, because both parties were fully aware of the prior state of the art, before the interference was declared. The plaintiffs could not, therefore, have been misled or prejudiced by the conduct of the defendants in attempting to defeat their application for a patent upon the ground that Caro was a prior inventor.

The first claim of the Holliday patent is not limited to one for the new compound or article of manufacture produced by the process of the second claim. It is a valid claim for the real invention of Holliday. In the language of

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the Court in *Cochrane v. Badische Co.*, (111 *U. S.*, 294, 310;) "Every patent for a product or composition of matter must identify it, so that it can be recognized aside from the description of the process for making it, or else nothing can be held to infringe the patent which is not made by that process." This claim fulfils that condition; the product can be identified by the characteristics specified; it dyes by the addition of acid to the bath, and retains the original fuchsine color. The description of the process informs those skilled in the art how to make the product without making any experiments of their own, because it points out the best means for producing the desired result. (*Tilghman v. Proctor*, 102 *U. S.*, 707.) The patent does not fall within the category of those in which the claim is limited by its terms to a product produced by a specified process, (*Pickhardt v. Packard*, 23 *Blatchf. C. C. R.*, 23; *Smith v. Dental Vulcanite Co.*, 93 *U. S.*, 486;) nor of those in which the article is old but is made by a new process, or made by machinery instead of by hand. (*Wooster v. Calhoun*, 11 *Blatchf. C. C. R.*, 215; *Rubber Co. v. Goodyear*, 9 *Wall.*, 788.)

Although the specification of each patent describes the same process, the description in the Caro patent is more specific and has the effect to confine the claim of that patent to a process which will produce the tri-sulpho acid, as distinguished from a mono- or di-sulpho acid. It requires the fuchsine to be dried at a given temperature, and requires the treatment with crystallizable sulphuric acid, commonly called anhydrous sulphuric acid, maintaining a given temperature during the operation. Exactly what degree of density of the sulphuric acid is indicated by the term "crystallizable sulphuric acid," commonly called "anhydrous sulphuric acid," as used in the Caro patent, is not clear. In his English patent, Caro treats the term "anhydrous sulphuric acid" as synonymous with "fuming sulphuric acid." In the original application for the present patent, he states, that if anhydrous sulphuric acid is used, the reaction of fuchsine takes place in a short time, and without requiring any external heat, but, if

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fuming sulphuric acid is used, the reaction requires more time and external application. Thus it is evident that he considers them as equivalents in a process in which proportions and temperatures admit of a wide range and depend upon the degree of concentration of the acid. But the specification requires a much higher temperature to be maintained during the operation than is required by the Holliday specification, and there is no reason to doubt that the process described is substantially identical with that of the Holliday patent, when fuming acid of the density of 69 to 70 degrees Beaumé is used and an ordinary or moderate temperature is maintained. In other words, if, in the process of the Holliday patent, the use of fuming acid of the density of 69 to 70 degrees Beaumé were essential, instead of optional, the second claim of each patent would be for the same process.

These views lead to the conclusions, (1) that Holliday was the prior inventor of the process by which the tri-sulpho compound of rosaniline is produced; (2) that the first claims of the patents are interfering claims; (3) that the second claims are not interfering claims; (4) that the first claim of the defendants' patent is void, as against the first claim of the plaintiffs' patent; (5) that the second claim of the defendants' patent is invalid, because Holliday was the prior inventor of the process. If the action were not brought to restrain infringement, but only for the purpose of declaring the patent of the defendants void as against the patent of the plaintiffs, it is not entirely clear whether the defence of want of novelty as to either claim of the plaintiffs' patent would be pertinent to the issue. Such a defence was allowed in *Foster v. Lindsay*, (3 Dill., 126,) where the point was considered, and the Court made a decree declaring both patents void, upon the consideration, that a Court of equity should not grant relief to a plaintiff who has no equity, and the statute authorizes the Court to adjudge either of the patents void in whole or in part. But in the present case it is unnecessary to decide the question. The first claim of the Holliday patent being valid, the plaintiffs are entitled to a decree annulling the

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interfering claim of the Caro patent, with costs. Upon filing a disclaimer respecting the second claim, they will be entitled to an injunction against infringement of the first claim and an accounting.

A decree is ordered accordingly.

Edward N. Dickerson and *Edward N. Dickerson, Jr.*,
for the plaintiffs.

Benjamin F. Thurston and *Livingston Gifford*, for the
defendants.

JOSEPH MOLLER AND OTHERS vs. EDWIN A. MERRITT.

A suit to recover back duties paid June 2d, under protest, was brought June 30th, before the decisions of the Secretary of the Treasury on the appeals to him from the decisions of the collector. The decisions were made by the Secretary July 18th and 23d. The complaint, in the suit, and a bill of particulars covering the importations, were served August 19th. Objection was taken at the trial, that section 2,931 of the Revised Statutes authorized a suit only after a decision by the Secretary: *Held*, that objection could not avail.

(Before WHEELER, J., Southern District of New York, February 1st, 1887.)

WHEELER, J. The plaintiffs made four importations of sugar at the port of New York, while the defendant was collector there in 1881, on which he exacted duties, which they paid, but against which they duly protested and appealed. Two of the appeals were decided against them May 27th; the last payment was made June 2d; the summons in this action was served June 30th; one of the remaining appeals was decided against them July 18th, and the other July 23d; the complaint in this action, with a bill of particulars, in due form, covering all the importations, was served August 19th, and issue was joined upon the answer to this complaint, with-

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out objection to the time or manner of the commencement of the action. By the decision in *Merritt v. Welsh*, (104 U. S., 634,) the exaction of these duties was shown to be illegal, and those as to which decision was made May 27th were refunded; and the case has been tried as to those concerning which decisions were made July 18th and 23d. On the trial, no question was made but that the exaction of the duties was illegal, nor about any of the proceedings in any respect, except that a direction of a verdict for the defendant was requested on the ground that this suit was not commenced at a proper time. The Court ruled against the defendant on this point, and, as there was no other question about the right of the plaintiffs to recover, directed a verdict for them. The defendant has moved for a new trial, on account of alleged error in this ruling, and this motion has now been heard. The only question now is, whether the plaintiffs are defeated of their right to recover by bringing their action too soon.

There are three sections of the Revised Statutes which appear to have some bearing upon this question—sections 2,931, 3,011, and 3,012. Section 2,931 provides that the decision of the collector as to the rate and amount of duties shall be final and conclusive, unless protest be made within ten days, and an appeal to the Secretary of the Treasury be taken within thirty days, and that the decision of the Secretary shall be final unless suit be brought within ninety days after; and that no suit shall be maintained for the recovery of the duties until the decision of the Secretary, unless it is delayed more than ninety days. Section 3,011 gives an action to any person who shall have made payment under protest and in order to obtain possession of merchandise imported for him, to ascertain the validity of the demand, and to recover back any excess paid; but provides that no recovery shall be allowed in such action unless a protest and appeal shall have been taken as prescribed in section 2,931. Section 3,012 provides that no suit shall be maintained for the recovery of duties unless the plaintiff serves a bill of particulars within thirty days after notice of the appearance of the defendant.

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The restriction of recovery to cases in which a protest and appeal have been taken, in section 3,011, was passed in 1877, and is the latest of these enactments. (19 *U. S. Stat. at Large*, 247.) The action given appears to be an action for the recovery of the money, in which the principal question triable is the validity of the demand of the money made by the collector, about which the other provisions of these statutes appear to be regulations governing the action, and conditions upon which it is given, compliance with which must be shown to entitle the plaintiff to recover; but which need not be alleged by the plaintiff in his pleading as a foundation for, or a part of, his cause of action, to give him a right to show compliance with them, and the want of which need not be set up by the defendant in his pleading, to give him the right to disprove such compliance. This is the effect given to the statutes conferring a right of action, but limiting the right to maintain the action unless certain notices should be given. (*Kent v. Lincoln*, 32 *Vt.*, 591; *Matthie v. Barton*, 40 *Vt.*, 286.) Therefore, in States where the common law method of pleading prevails, the common counts in *indebitatus assumpsit* would seem to be a sufficient declaration, and the general issue a sufficient plea. (*Elliott v. Swartwout*, 10 *Pet.*, 137.) The money is what is recovered for, with interest from the time of its illegal exaction, ordinarily. (*Erskine v. Van Arsdale*, 15 *Wall.*, 75; *Redfield v. Ystalyfera Iron Co.*, 110 *U. S.*, 174.) According to the provisions of section 3,011 the plaintiff might bring an appropriate action for the recovery of the money, and, on showing that the defendant took his money for duties by illegal exaction, and protest and appeal as prescribed in section 2,931, have a recovery. There is nothing there about a decision by the Secretary, and there is nothing about protest and appeal before the commencement of the suit. It is the recovery in the action, not its commencement, which is restrained by the want of these. Section 2,931 does not provide that suit shall not be brought until decision by the Secretary, but that it shall not be maintained. The same expression is used in section 3,012, where-

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by it is provided that no suit shall be maintained, unless a bill of particulars is filed, which is not to be done until after suit brought. This shows that prohibition of maintenance, does not there prohibit commencement, of suit. The impression made by the reading of these three sections and considering them together is, that it was intended by them to give an action for the recovery of money illegally exacted for duties, but to restrain maintaining it to recovery of judgment, without protest, appeal and adverse decision by the Secretary. Of course, if there should be no protest and appeal in due time shown, the decision of the collector would be final and conclusive as to the legality of the exaction, and, if these should be shown, and the suit should not be brought in time, the decision of the Secretary would be likewise final and conclusive, and the plaintiff would have no ground for a recovery, whether the suit was otherwise well brought or not; but that does not show that a suit brought before decision would be premature. This suit was not delayed more than ninety days after the decision of the Secretary, and, as there is no question about the rest of the plaintiffs' case, would seem to be well brought, if the question is not foreclosed by the expressions of the Supreme Court in *Arnson v. Murphy*, (109 *U. S.*, 238, and 115 *U. S.*, 579.) The question in that suit, about the time of bringing it, was whether it was brought soon enough, not whether it was brought too soon; and what is said about the bringing of a suit being prohibited until after decision by the Secretary appears to have been said with reference to the language of section 2,931, in general, without reference to the language of that section in connection with that of sections 3,011 and 3,012, in particular. These expressions are so direct, however, that they may have been intended to indicate that this subject was considered in all its bearings and decided, although not involved, in this aspect. But whether so or not those expressions are not considered to be decisive of this case against the plaintiffs.

The time when the complaint and bill of particulars in

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this action were served was after the decisions of the Secretary upon the appeals, and long before the expiration of ninety days after. The answer of the defendant was served September 3d, and more than forty days before the expiration of ninety days after the first of these decisions. This complaint was the first pleading under the provisions of the Code of Procedure of the State in which the suit was brought. (*New York Code of Civil Procedure*, § 478.) Until the complaint was filed there does not appear to have been anything on which any judgment could have been rendered. (*Ibid.*, §§ 419, 420.) This suit was well brought as to the other entries, in any view. There could be no advantage or benefit to the defendant or the Government in having two suits instead of one. The answer of the defendant was filed by the District Attorney of the Government, who then knew, from the bill of particulars, or is to be presumed to have known, that this suit was brought to recover these duties as well as the others. The objection that these causes of action were improperly united with the others could apparently have then been taken by the answer. (*Ibid.*, § 488.) Had it then been so taken, the plaintiff could have brought a new suit within the required time. When it was taken this could not be done. The service of this complaint would seem to be sufficiently the commencement of this action for these causes of action, for all the purposes for which a delay until the decision of the Secretary can be required. Certainly it does not appear to be just to allow this objection to be taken and prevail now unless the rules of law strictly require. It is a mere technicality, which does not at all touch the merits of the plaintiffs' claim, which is confessedly just, for it is for the recovery of money which was confessedly illegally exacted. It is true, that the action is given only upon the condition that it be brought within ninety days after the decision of the Secretary. This action was not so brought as to include the items in question until after that decision, and it was so brought as to include them within the ninety days after. What was done about it before the decision did not subject

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the defendant or the Government to any additional costs, charges or expense. If the suit is overthrown on this ground money illegally exacted of the plaintiffs will be left in the hands of the Government; if it is sustained, the plaintiffs will only recover that. The rules of law do not appear to stand in the way of doing justice by sustaining this recovery.

Motion denied.

Jerome F. Manning, for the plaintiffs.

Stephen A. Walker, (*District Attorney*), and *Thomas Greenwood*, (*Assistant District Attorney*), for the defendant.

IN THE MATTER OF HERBERT STEWARD.

A Circuit Court of the United States in New York has power, by subpoena, to compel the attendance of a witness within its jurisdiction, before a special master appointed by a Circuit Court of the United States in Indiana, in a cause there pending, and to punish such witness for disobeying the subpoena.

(Before SHIPMAN, J., Southern District of New York, February 11th, 1887.)

SHIPMAN, J. The Circuit Court of the United States for the District of Indiana appointed A. J. Ricks, Esq., special master to take and state the accounts of a receiver in two cases pending before said Court, and, among other things, to inquire and report into the amount, consideration and ownership of any receiver's certificate which may have been issued by said officer.

The master found it necessary to take the testimony, in the city of New York, of some witnesses living in said city, and obtained an order of this Court for a subpoena, which was duly issued by the clerk and was duly served upon Her-

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bert Steward, a person who has his legal domicile in Connecticut, but who lives in this District. Steward personally attended before the master on the day but not at the hour named in the subpoena, and promised to attend again at the hour appointed by the master, but did not do so. By order of this Court he was again subpoenaed to appear and testify before the master, at a named place in said city, and on a named day, and, in default of appearance, was directed to appear before this Court on another day, to show cause why he should not be punished for contempt. The subpoena and notice were duly served. Steward did not obey the subpoena, the parties have now appeared, and the question at issue is as to the power of this Court, by its subpoena, to compel Steward's attendance before the special master appointed by another Circuit Court, in a cause pending therein.

It is settled, and the practice has been in accordance with the decision, that a Circuit Court in one District has power, under the 67th rule in equity, to appoint a special examiner to take testimony in another Circuit. (*R. R. Co. v. Drew*, 3 *Woods*, 691.) The decision is founded upon the literal language of the rule, and is justified by the fact that a different construction would prevent the convenient taking of testimony. If Circuit Courts have such power, I am of opinion that, under Rule 78, this Court has power to issue a subpoena commanding a person living in this District to appear and testify before an examiner, or before a master, who has been appointed by another Circuit Court, and who is discharging the duties of his office in this District, and is also enabled, under said rule, to punish such person for refusing to obey the subpoena.

A power in the Circuit Courts to appoint an examiner or a master to take testimony beyond the jurisdiction of the Court which appointed him, would not be very useful unless the Court within the jurisdiction possessed also the power to compel the attendance of witnesses before such officer. Rule 78, which was passed under the general authority of the Supreme

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Court to prescribe "the modes of taking and obtaining evidence" to be used in equity suits, recognizes such power.

I find that said Steward has been guilty of contempt, but as the object of the hearing has been to obtain the opinion of the Court upon the question of law, I shall not impose a large fine, but I direct that he pay, as a penalty for said disobedience, the costs and the disbursements pertaining to the disobeyed subpoena and to this proceeding for contempt, to be taxed and allowed by the clerk.

Robert G. Ingersoll, for the motion.

Thomas Thacher, against the motion.

AGNES RONALD

v8.

THE MUTUAL RESERVE FUND LIFE ASSOCIATION.

An attorney was employed to bring a suit to recover \$5,000, on an agreement that he should be paid 10 *per cent.* of the collections as his compensation. The suit having been brought, a motion by the plaintiff to substitute a new attorney was granted, on the plaintiff's filing a stipulation, and the entering of an order, declaring the lien of the former attorney *pro rata* on any moneys or judgment to be recovered, to the extent to be thereafter determined, if the plaintiffs' should succeed, notice of the lien to be given to the defendant.

(Before BROWN, J., Southern District of New York, February 14th, 1887.)

BROWN, J. A motion is made, on behalf of the plaintiff, for the substitution of new attorneys, which is resisted on the ground of a special agreement, made with the present attorney, on his taking the cause, to wit, that he should be paid

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ten *per cent.* of the collections as his compensation. The action was for the recovery of \$5,000 upon an insurance of the life of the plaintiff's husband, now deceased.

The right, in general, of a litigant to change his attorney at pleasure, has been repeatedly affirmed. (*In re Paschal*, 10 *Wall.*, 483, 493, 496; *Dodge v. Schell*, 20 *Blatchf. C. C. R.*, 517; *In re Wilson*, 12 *Fed. Rep.*, 235, 238, and cases there cited.)

In the present case, not much progress has been made in the disposition of the cause; a demurrer to the complaint has not been argued; and the plaintiff's proceedings have been stayed until security for costs on her part is filed. The plaintiff herself resides in Scotland, and is understood to be in poor circumstances. Her attorney in fact, who undertook the prosecution of her interests here, desired to be relieved of his charge; and a new attorney in fact has been substituted, by whom this application for a change of attorneys in the litigation has been promoted.

Contracts like that in the present instance, for the compensation of attorneys, to be paid from the amount recovered and contingent upon a recovery, are not to be construed as debarring a plaintiff from any change of attorney, nor as giving the original attorney an absolute control of the litigation to the end. Such a construction would be impolitic in its results, and cannot be sustained. The agreement should be regarded as providing for the mode of compensation only, and subject to such reasonable changes and provisions as subsequent circumstances may make proper. The attorney has a lien upon the papers in his possession for his contingent fees in case of final recovery, to the extent of the proportion of services already rendered. The motion for a substitution should be granted, upon the plaintiff's stipulation being filed, with an order entered herein, declaring the present attorney's lien *pro rata* upon any moneys or judgment hereafter recovered, to the extent that may be hereafter determined, should the plaintiff be successful in the suit; and that notice of such lien be given to the defendant. This will probably be a satis-

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factory security to the present attorney; if not, I will consider any further application in that respect in his behalf.

Charles B. Meyer, for the petitioner.

J. K. Hayward, opposed.

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vs.

CASSIUS M. RICHMOND AND OTHERS.

Letters patent No. 238,940, granted to James E. Low, March 15th, 1881, for an improvement in dentistry, are valid.

An application for the patent was filed January 6th, 1879. It was not abandoned, but a second application was filed December 20th, 1880, on the suggestion of the examiner in the Patent Office. Both applications are to be considered as part of one continuous proceeding.

Claims 4, 5 and 6 of letters patent No. 277,941, granted to Cassius M. Richmond, assignor, May 22d, 1883, for an improvement in dentistry, are invalid, because the inventions had been in public use for more than two years before the application for the patent.

Claims 1, 2 and 3 of that patent cover a mere matter of mechanical improvement on what existed before, which in itself has no patentable novelty.

The three claims of letters patent No. 277,933, granted to Alvan S. Richmond, assignor, May 22d, 1883, for an improvement in dentistry, embrace nothing which involves invention.

(Before WALLACE and SHIPMAN, JJ., Southern District of New York, February 22d, 1887.)

WALLACE, J. The complainant is the owner of four patents relating to improvements in the dental art, all of which are alleged to be infringed by the defendants. This suit is brought for an injunction and accounting.

The first of the patents in suit, No. 238,940, was granted

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to James E. Low, March 15th, 1881, upon an application filed December 20th, 1880. The subject is an improvement in dentistry, whereby artificial dental surfaces may be permanently fixed in the mouth in place of lost teeth, without the use of plates or other means of deriving support from the gum beneath the artificial dentition. The patentee refers, in his specification, to the pre-existing state of the art, as follows: "Heretofore artificial teeth have invariably been supported entirely by the gum, and usually upon a plate fitted to the gum, and in the case of upper teeth to the roof of the mouth. Clasps or attachments to the adjacent teeth have been employed for the lower jaw, to retain the artificial teeth in proper relation to the adjacent teeth; but said attachments have never been designed or adapted to sustain the pressure upon the artificial teeth in mastication, without aid from the gum. The use of plates or other methods of supporting the artificial tooth by the gum is highly objectionable, because, first, they necessarily cover the cutaneous surfaces which health requires should be uncovered; second, they occupy a space within the mouth and are uncomfortable; third, they require frequent removal for the purpose of being cleansed; fourth, they accumulate offensive matter next the skin and, therefore, promote disease. The use of clasps to retain the teeth, with very small supporting plates, has very generally been abandoned for the upper jaw, because the injury to the teeth by the clasp is supposed to be more objectionable than the discomfort and other disadvantages attending the use of the suction plate." He points out the general advantages of his invention as follows: "All the objections to the presence of artificial dentition mentioned above are obviated by my improvement, which leaves the cutaneous surfaces uncovered, and supports the artificial dentition by its attachment to the adjacent natural teeth, and the same method of attachment is equally applicable to both the upper and lower jaw." The general description of his improved method is as follows: "A band of gold or other suitable metal is first prepared and accurately fitted around the tooth, adjacent to the vacant spaces

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to be supplied with an artificial tooth. This band is firmly secured in place by cement, which effectually excludes water or the fluids of the mouth, and is thus permanently attached to the tooth, so that it cannot be removed without an operation directly for that purpose. It is sometimes sufficient to prepare one of the adjacent teeth in this way; but generally it is desirable to prepare the adjacent teeth on each side of the vacant space; it will always be advisable to do so if the vacant place is to be occupied with more than one tooth. The artificial block to fill this vacant place may comprise one or more teeth, as the case may require, and, if desired, may be moulded in a single block. The lower surface adjacent to the gum is cut away at the back, and only descends to contact with the gum along its front edge, so as to prevent the appearance of an open space between the artificial teeth and the gum. The artificial block is provided with protecting lugs or pins of suitable metal, and may thereby permanently be secured by screws, or otherwise, to the permanently fixed bands around the adjacent fixed natural teeth. The small area covered by the bases of the artificial teeth, and its non-contact with or pressure upon the gum, renders the deposition of secreted or foreign matter from the food unlikely, and easily removable with the brush, or by water forced under the artificial teeth, in the process of rinsing the mouth. It sometimes happens that a tooth has elongated to such an extent that there is not space between its crown and the opposite gum for the insertion of a regular tooth, and in such a case as that I sometimes supply an artificial dental surface, composed of one or more metallic bars, extending from one permanent tooth to the next and secured at their end to the band."

The specification states that the patentee does not propose to limit himself to the details as shown in his specification and drawings, but considers that his invention includes "the permanent attachment of artificial teeth by securing them to continuous bands permanently attached to adjoining teeth supported upon natural roots, and supporting said artificial

teeth by said attachments, without dependence upon the gum beneath said artificial tooth."

The claims of the patent are as follows: "1. The herein-described method of inserting and supporting artificial teeth, which consists in attaching said artificial teeth to continuous bands fitted and cemented to the adjoining permanent teeth, whereby said artificial teeth are supported by said permanent teeth, without dependence upon the gum beneath. 2. An artificial tooth cut away at the back, so as not to present any contact with the gum except along its front lower edge, and supported by rigid attachment to one or more adjoining permanent teeth, substantially as and for the purpose set forth."

It is entirely clear, that the invention described in the patent was not only new and useful, but was an improvement in the dental art of considerable merit. The former methods of supporting artificial teeth referred to in the patent were not designed to secure a permanent attachment of the artificial teeth to the natural teeth, but were intended to secure a removable attachment, the theory of many dentists being, that a rigid attachment was undesirable and impracticable, as uncleanly, and also as liable to produce inflammation of the natural teeth. The methods which had been employed to secure a permanent or rigid attachment of the artificial to the natural teeth were well calculated to excite the distrust and opposition of intelligent dentists. One of these is described in an article of which W. H. H. Eliot was the author, published in March, 1844, in the American Journal of Dental Science. This describes an artificial denture consisting of three teeth fastened upon a backing of metal. The extreme teeth, or the ones at each end of the artificial denture, are provided each with a pin. These pins are to go into holes drilled in the prepared roots of natural teeth, and in this way the denture is to be held in place. A slight bearing surface is formed by plates which are to bear upon the smooth ends of the natural roots remaining in the gum. This denture simply consists of teeth held in by pivots and connected

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by a bar or backing of metal. Another of these methods is described in the United States patent to Benjamin J. Bing, of January 23d, 1871. This method consists in attaching artificial teeth to metallic bars, which bars, at either end, are to be secured to natural teeth, by forming cavities in the natural teeth, inserting the ends of the bars in the cavities, and then filling the cavities with gold.

The objection to the use of plates or other methods of supporting the artificial tooth by the gum are sufficiently pointed out in the patent, and the objections to methods like those of Eliot and Bing, for supporting the artificial teeth by a permanent attachment to natural teeth, or the roots of such teeth, are obvious. Where pivots are inserted in the teeth, to secure a rigid attachment, as in the Eliot method, they become loosened in the process of mastication, and the teeth are liable to be split by sidewise wrench or motion. Such methods as Bing's tend to the destruction of the adjacent natural teeth, the strain and motion in mastication loosening the metal fillings, and requiring a re-attachment of the denture from time to time, to the increasing injury of the natural teeth.

By the method of the patent a plate is dispensed with when some natural teeth remain, and, instead of the artificial teeth being loosely clasped to the adjacent natural teeth, they are attached with strength and permanency, and are not forced into contact with the gum during the strain of mastication. By being firmly fixed upon bands of metal, secured rigidly and permanently, by cement or otherwise, upon the adjacent natural teeth which they surround, the denture has an easy and efficient bearing, the gum escapes injury, and the strain of mastication is transferred to the natural teeth. When the artificial teeth employed have their surface adjacent to the gum cut away at the back, and only descend to contact with the gum along the front edge, another advantage results; because the small area covered by the bases of the teeth precludes such an accumulation of food or other for-

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eign matter between the gum and the denture as cannot be readily removed.

It is not contested that Low was the first to devise and perfect the improvement described in the patent; but it is urged, that, in view of the prior state of the art, as described by the publications referred to, and as also described by the publications of Lintott, Scott, Fowell and others, the improvement of Low did not involve invention. The references to the publications of Lintott, Scott and Fowell are not of sufficient importance to require comment. Undoubtedly Low was materially assisted, in perfecting his invention, by his observations of the artificial crown of Dr. Richmond, and it is not unlikely that the invention derives its chief value from its adaptability to use with the Richmond crown. It may not have involved a high order of inventive faculty to work out the conception, by connecting such crowns by a bar or bridge bearing an artificial tooth or teeth. Nevertheless the fact remains that Dr. Low was the first to accomplish successfully what skilful dentists like Dr. Richmond did not believe to be practicable, and to demonstrate how the objections which were supposed to be so serious to the method of rigid attachment could be obviated. It is not difficult, after the fact, to show, by argument, how simple the achievement was, and, by aggregating all the failures of others, to point out the plain and easy road to success. This is the wisdom after the event, that often confutes invention and levels it to the plane of mere mechanical skill. The ingenious argument in this case has not satisfied us that there was no invention in the improvement of Low.

The defence is relied on, that the invention had been in public use for more than two years before the application for the patent. The proofs show that operations were performed by Low during the latter part of the year 1877, in which he inserted the dentures of the patent in the mouths of patients. As the application upon which the patent was granted was not filed until December 20th, 1880, the defence would be established were it not for the fact that Low had

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made an application, which was filed in the Patent Office January 6th, 1879, which had never been abandoned, for substantially the same invention. That application contained some matters foreign to the subject of the second application, but, so far as it related to the inventions covered by the claims of the patent, it did not differ from the second application, except in a single particular. The specification of the patent states that non-contact of the artificial tooth or denture carried by the bridge with the gum, or the absence of pressure upon the gum, is one of the advantages of the invention; while it was stated in the first application to be necessary "to carefully fit the base of the tooth or block to be inserted, to the jaw, and, when secured, it should be so pressed down as to leave no space beneath it for the admission of food." The statement in the first application is not inconsistent with the method of the patent, which consists in attaching the artificial tooth, or the denture, to bands and supporting them by the adjoining permanent teeth, "without dependence upon the gum beneath." So long as this essential feature of the invention is retained, it is quite immaterial whether the artificial dentition "is so pressed down as to leave no space beneath it for the admission of food," in the language of the specification, or whether it is in positive non-contact with the gum. When the artificial denture is in non-contact with the gum, cleanliness is facilitated, and the suggestion which was first made in the second application was, therefore, a useful one. But it did not change the invention in essentials. Although the tooth or denture is pressed down so close to the jaw that food cannot lodge between it and the gum, it is still supported by the adjoining tooth or teeth, and not by the gum. As was stated in the first application, "the yielding surface on which it rests will readily conform to the tooth or block, and any pain at first induced by the pressure will disappear."

There is nothing to indicate that Low intended to abandon his first application. His application was refused, correspondence ensued with the Patent Office, and finally Low made a

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personal visit to the Office, had an interview with the examiner, and convinced the examiner that the invention which was the subject of the application was meritorious and novel, and one for which he was entitled to a patent. During the controversy with the Patent Office, various interpolations had been made in the first application, and the examiner suggested that Low had better make a new application, and thereupon the second application was drawn up. So far as relates to the present invention, the new application differed from the first merely in omitting some superfluous matters, and in changing the description in reference to the character of the contact between the denture and the gum. There was no act on the part of Low which was equivalent to a withdrawal of his first application, or to an acquiescence in its rejection. He merely made a new application, as a more convenient way of presenting the original application for the final action of the Office, after he had been assured that the rejection of his first application would be reconsidered and a patent would be granted for the present invention. Both applications are to be considered as parts of one continuous proceeding, and the two years within which the invention could not be publicly used without invalidating the patent did not begin to run until January 6th, 1879. (*Godfrey v. Eames*, 1 Wall., 317; *Smith v. Goodyear Co.*, 93 U. S., 486, 500; *Graham v. Geneva Lake Co.*, 11 Fed. Rep., 138.)

The second claim includes with the elements of the first claim the features of a tooth cut away at the back. Thus construed, the defendants infringe both claims of this patent.

The next patent in suit which may be most conveniently considered is No. 277,941, granted, May 22d, 1883, to Cassius M. Richmond, assignor, etc. The application for this patent was filed December 1st, 1882. This patent is for the invention known in the dental profession as the Richmond Tooth Crown. A patent was granted to Richmond, dated February 10th, 1880, for an artificial tooth crown, and the present invention is said to be for an improvement upon the tooth crown therein described, but it is, in fact, for a radically dif-

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ferent tooth crown. The invention relates to an improved method or device for attaching such crown to the roots or stumps of natural teeth remaining in the mouth, the object being to provide an artificial crown of improved construction, to be adjusted and secured to the root of the natural tooth, in a permanent, practical and artistic manner, so that the tooth, when finished, will present a natural appearance and be capable of the same service as a sound natural tooth. After the natural root or stump has been cut off or ground, preferably, on a level with the gum, and a hole is drilled therein into which a pin is to be subsequently inserted, a metallic ferrule is then fitted upon and shaped to the prepared root of the tooth. A suitable crown is then selected to be applied to the root, color, size and shape being consulted, in order to make it conform in appearance to, and as a substitute for, a natural tooth. The artificial crown is provided with a metallic back or attachment, which has holes through it, to allow the passage of the pins, which are firmly imbedded into porcelain. The root and crown having been so prepared, the crown is placed in position and attached to the ferrule by wax, sufficiently to hold the crown firmly in position to allow of the removal of the ferrule. Then a suitable pin, designed to be inserted in the hole drilled in the root, is embedded in the wax. The prepared crown is then invested or protected by a suitable cover of marble dust and plaster, leaving the wax portion exposed. This investiture will hold the parts in the position which they are to occupy when placed in the mouth. The wax is then melted from the pin and crown, and replaced by a suitable gold solder, which may be blown in a blow pipe and fused around the pin. This solder will unite with the pin extending into the root, the ferrule, the pin extending into the porcelain, and the porcelain backing, making a solid metal backing to the crown and firmly holding all the parts together. The prepared crown is then slipped upon the prepared root and cemented thereon, the ferrule, when placed in position, projecting along the very margin of the gum, sufficiently to

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protect the root from decay and to conceal the ferrule from view. The specification contains the following statement: "It will be seen that, when this denture is applied to a root, the end of the root is entirely protected from the injurious action of the fluids of the mouth, and is hermetically sealed, being covered by a closed cap. This inclosing cap is of the greatest importance, because otherwise decay must necessarily take place, by reason of the action of the fluids of the mouth on the exposed denture, and the denture would become useless. By this arrangement, therefore, both the end of the root and so much of the same as might otherwise be exposed to the fluids of the mouth are hermetically sealed, and the root is thus protected from the injurious effect which would otherwise result from the action of the fluids. It is obvious that this part of my invention, namely, the sealing cap on the end of the root, may be used with other kinds of dentures, and other arrangements of artificial crowns, besides those shown herein, and that, when properly applied, the root is completely protected. As shown in Figs. 2, 4, and 7, the flange of the cap should project beneath the gum and allow the gum to extend to the porcelain crown. The freedom of the gum from permanent attachment with the end of the root allows this band to be placed in position without causing irritation. I do not limit myself to the precise method of attaching this inclosing cap to the root, as other methods might be employed; but the one here shown is the simplest known to me. The caps hereinbefore described are so constructed, as set forth, as to cover and inclose the prepared end of the root, wholly excluding the juices of the mouth therefrom, and preventing the decay that would otherwise result."

The claims of the patent are as follows: "1. The combination of a prepared root, having its natural terminal contour near the margin of the gum, with an inclosing-cap attached thereto, for supporting an artificial denture, substantially as described. 2. The combination of a prepared root, having its natural terminal contour near the margin of

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the gum, with an inclosing-cap attached thereto, and with an artificial porcelain or other crown supported by said cap, substantially as described. 3. The combination of a prepared root, having its natural terminal contour near the margin of the gum, with an inclosing-cap attached thereto, the said cap being attached to the root by a pin or suitable attaching contrivance, passing upward and into a suitable cavity in the root, substantially as described. 4. The combination of a tooth crown, a metallic backing soldered to said crown, and a pin firmly soldered to said artificial backing, and secured to and passing through a ferrule adapted to surround the root, substantially as described. 5. The combination of the crown C, provided with suitable attaching pins E, the backing-plate D, and the metallic backing N, united to ferrule B and pin Z, substantially as described. 6. The combination of the crown C, metallic backing N, united to protecting plate D and pin Z, the root A, and cement J, uniting the pin Z to the root, substantially as described."

It is not open to doubt that this patent describes an invention in dentistry of the greatest utility and value. The invention enables an artificial tooth to be placed upon a natural root which can only be distinguished from the natural tooth by the most critical examination, which is as serviceable while it lasts as a natural tooth, and which is very durable. The Richmond crown not only supplies the place of a natural tooth for the purposes of use, so as to be a perfect substitute for a lost tooth, but it can be so artistically made as in many instances to be an improvement in appearance upon the natural tooth. Nevertheless, if the patent can be sustained as valid to any extent, it can only be upheld by placing a very narrow limitation upon the claims.

Without referring, at present, to the prior state of the art at the time Dr. Richmond conceived the inventions of the patent of 1880 and of the present patent, it suffices to say, that everything which is the subject of the 4th, 5th and 6th claims of the present patent had been in prior public use for more than two years prior to the application for the patent,

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and was public property prior to the year 1880; and, if the remaining claims are valid, it is only because an inclosing cap, by which the end of the root is hermetically sealed and thus protected from the action of the fluids of the mouth, is an element of each claim. The inventor himself has abandoned all the rest of his invention to the public. As early as in December, 1876, Dr. Richmond had inserted a denture in the mouth of a patient in San Francisco, involving the principle of the patent. That denture differed from the artificial tooth crown of the patent only because the inclosing ferrule or band was not a cap which covered the end of the root, and did not extend so far under the gum of the patient as to wholly conceal the gold surface. The denture as then inserted by him was a complete practical success, and, so far as is known, still remains in use in the mouth of the patient. In the years 1878 and 1879, Dr. Richmond practiced the invention extensively in many of the large cities of the United States, and demonstrated to hundreds of dentists, in public clinics and private practice, the method of preparing and inserting his artificial tooth crowns. The method was practiced with differences of detail, but was always the same in essentials. The root was always prepared in the way pointed out in the patent, and the denture always consisted of a ferrule or band accurately fitted to surround the root, to which was soldered a crown with a porcelain front, having a pin extending into the root, the whole being cemented on the root in one piece. Sometimes a loose floor of platinum or gold was packed inside the band, behind the backing of the porcelain front, so as to make a floor above the solder, when the crown was invested in position and the solder blown in; and sometimes, instead of a loose floor, a half floor was joined to the band, extending partly over the end of the root, forming a cap embracing part of the exposed end of the root, and the solder was then blown in under this cap. When made in either of these ways, the denture consisted of a porcelain tooth attached to a ring of gold at its upper part, and, where the porcelain itself met the ring, there was no solid

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floor to the ring, but the porcelain itself impinged upon the ring.

Among those to whom Dr. Richmond taught the invention was Dr. Gaylord, a dentist, one of the defendants in this cause. Two original dentures made by Dr. Gaylord, and inserted in the mouths of patients, one in April, 1879, and the other in May, 1879, have been produced in evidence and identified, and the fact that these tooth crowns were made and inserted at those dates and were practical and successful operations, and that, with a single exception, both were, in all respects, the tooth crowns of the patent, inserted according to the method of the patent, is clearly established. It is conceded by the expert for the complainant, that, if these dentures had been made with a ring or ferrule having a complete floor embracing the exposed end of the root, they would be the tooth crowns of the patent. One of them has a half floor of platinum back of the porcelain under the ring, intended to partially inclose the exposed end of the root, and the other has a partial floor made of loose gold foil stuffed behind the porcelain before the solder was flowed through the back of the crown. It is insisted that when the crown is constructed in this way it does not have the inclosing cap of the patent and, consequently, the end of the root is not hermetically sealed. The controversy as to this patent is thus narrowed to the question whether the substitution of a complete floor over the end of the ferrule, so as to wholly inclose the end of the natural root, in the place of a partial floor, involves sufficient invention to sustain the patent.

It is to be observed, that, in one sense, the end of the root is hermetically sealed according to the method of the patent, whether covered with the closed cap or not. The specification states that the prepared crown is slipped upon the prepared root and cemented thereto. As the invention was practiced by Dr. Richmond from 1876, enough cement was placed inside the recess of the prepared crown to exude at the margin of the gum when the crown was forced on the root, to fill up the space, and to make a solid contact, when

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hard, between the root at all the parts exposed and the crown beneath and the ring surrounding the root. The cement not only serves to hold the crown firmly in its place upon the root, but forms a hermetically sealed inclosure of the root. But it is insisted by the experts for the complainant, and by some of the witnesses who have applied the invention practically, that, unless the ring has a solid metallic floor, the porcelain where it joins the ring cannot be so closely united that the juices of the mouth will not enter at the joint; that the solder flowed in behind the porcelain will not effectually close this joint; and that, in consequence, the cement inclosing the root will be soon dissolved and destroyed by the secretions of the mouth. It is alleged, that if the minutest hole or perforation is left in the floor of the inclosing cap, the cement is exposed to the secretions; that the secretions of different mouths vary wonderfully in their destructive action; that while, in some cases, the cement might resist for years, in others it would fail speedily; and that thus the practical value of the invention depends most materially upon the inclosing cap.

Inasmuch as Dr. Richmond had for years been practicing the invention without a closed cap, and introducing his artificial crown everywhere to the profession as a perfect substitute, when inserted upon a natural root, for the natural tooth, it may be doubted whether the mechanical change of covering the ring with a solid floor, thereby converting it into a cap, was introduced by him so much for its utility as it was for the purpose of suggesting novelty, and enabling him and those with whom he had become engaged to obtain a patent. The change was not made until others had become pecuniarily interested with Dr. Richmond in his inventions. Then it was suggested that the reason of the failure of several crowns which had been inserted for patients was that they were defective because they were open at the end of the cap inclosing the end of the root, at the point where the porcelain came in contact with the cap. Thereupon the closed cap was adopted. No experiments were apparently

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necessary, but the defect was remedied as soon as it was suggested. It is testified, that the effect of this change was greatly to increase the strength of the artificial crown and assist in protecting the root from the leverage of the pin by lateral pressure, as well, also, as to protect more efficiently the cement from the action of the secretions of the mouth. On the other hand, the testimony indicates, that since the closed cap has been adopted, it is not exclusively used by those who are authorized to practice the invention under the patentees, and, although it is perhaps generally preferred, the impression left by the proofs is, that there is considerable exaggeration in the opinion that attributes to the closed cap the peculiar efficacy which has been assigned to it.

If Dr. Richmond had been the first to make a closed cap for a use cognate to that to which it was applied by him, the question whether there was any invention in making the change might be resolved in favor of the complainant. But it was not new in the art to use a closed cap in order to hermetically enclose the root of a tooth. This sufficiently appears by reference to a publication in the Missouri Dental Journal, in 1869, of the operation of Dr. Morrison. That publication describes an operation in which a gold cap is fitted upon the root of a lost or decayed tooth, so as to be adjusted accurately to the remaining portions of the tooth, and made to correspond in configuration with the original tooth. The cap is filled with a thin paste of cement and pressed to its place upon the root, the superfluous cement being crowded out at the margin of the gum, where the cap extends quite to the alveolus. Another instance of the use of caps having a tight metal floor to be inserted on the natural roots of teeth, and having a porcelain tooth crown soldered on the cap, is disclosed in the patent granted, February 3d, 1881, to John B. Beers, for an improvement in artificial crowns for teeth. In view of these references alone, it must be held, that there was no invention in making the change which was effected by Dr. Richmond in the fall of 1881, by substituting the closed cap in the place of the cap with a partial floor or without a

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solid floor. All that Dr. Richmond did was to close the band or ferrule with a bottom of gold and build up his artificial crown upon it, and the way to do this had been already pointed out.

The patent cannot be sustained upon the theory that Dr. Richmond was experimenting with and improving his method of making and inserting artificial tooth crowns, during the time intervening between his operation in San Francisco in 1876, until at last, with the change to the closed cap made by him in the fall of 1881, he succeeded in perfecting an invention which up to that time had been inchoate or incomplete. During all this period he had been demonstrating and practicing the invention in public, to dentists throughout the United States, and in his private practice, with all the variations of mechanical detail. Those to whom he taught his method for compensation bought their instruction in order to practice the invention in their profession; they did practice it and it was put into successful use in all parts of the country; and it is now too late to deprive the public of what became rightfully theirs, by supplementing to the invention a mere matter of mechanical improvement, which in itself had no patentable novelty.

The third patent in suit is No. 277,933, granted May 22d, 1883, to Alvan S. Richmond, assignor, etc., for an artificial denture.

It is sufficient to say of this patent that, in view of the inventions of Dr. C. M. Richmond and Dr. Low, the first and third claims embrace nothing which involves invention, and that carrying the metal of the bridge under the wearing surface of the porcelain does not impart patentable character to the third claim.

At the hearing of the cause we indicated sufficiently the reasons for considering the fourth patent upon which the suit was brought invalid for want of novelty and it is unnecessary to enlarge upon them now.

A decree is ordered for an injunction and an accounting

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as to the first of the patents in suit. As to the others, the bill is dismissed. Neither party is awarded costs.

E. N. Dickerson and *E. N. Dickerson, Jr.*, for the plaintiff.

John Kimberley Beach and *S. J. Gordon*, for the defendants.

FERDINAND N. MASSA

vs.

ROBERT L. CUTTING, JR., AND OTHERS. IN EQUITY.

A suit brought in a State Court on behalf of the plaintiff and all others similarly situated, who may become plaintiffs, cannot be removed into the Federal Court, where the plaintiff claims only \$500, and no other person has become a plaintiff, although the amount to which all others similarly situated would be entitled is \$90,000.

(Before WHEELER, J., Southern District of New York, February 22d, 1887.)

WHEELER, J. This suit was brought in the State Court, by the orator, as one of a large number of owners of stock, in behalf of himself and all others similarly situated who may become plaintiffs. The amount for which a decree is sought by the orator in his own behalf is much less than \$500. The amount to which all others similarly situated would be entitled, according to the allegations of the bill, is more than \$90,000. The defendants removed the cause into this Court. The plaintiff moves to have it remanded to the State Court, on the ground that the matter in dispute does not exceed the sum or value of \$500. (*Act of March 3d, 1875, § 2, 18 U. S. Stat. at Large, 470.*) No others having become plaintiffs, nothing can be decreed to them; and neither they nor the defendants will be bound by any decree which may be made in the case, as it stood at the time of removal and now

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stands. There is no matter in dispute yet beyond what the plaintiff claims on behalf of himself. As that is less than \$500, the case has not yet been one in which the matter in dispute exceeds that sum. Upon these considerations, the motion to remand must be granted.

Motion granted.

Daniel Nason, for the plaintiff.

C. M. Da Costa, for the defendants.

NATHANIEL WHITMAN

vs.

WILLIAM L. HUBBELL, AS TREASURER OF THE ADAMS
EXPRESS COMPANY.

A suit brought in a State Court of New York, by a citizen of New York against a citizen of Connecticut, as treasurer of a joint-stock association of New York, which is a partnership and not a corporation, and is, by a statute of New York, suable by its treasurer, the suit being brought to restrain the maintenance of an awning over part of a street adjoining the plaintiff's premises, involves more than \$500, if the value of the right to maintain the awning is more than \$500, and is a suit between citizens of different States.

(Before WHEELER, J., Southern District of New York, February 22d, 1887.)

WHEELER, J. The plaintiff is a citizen of New York, and the defendant, of Connecticut. The Adams Express Company is a joint-stock association of New York. This suit was brought in the State Court to restrain the maintenance of an awning over a part of Great Jones street, adjoining the plaintiff's premises. The defendant removed the cause into this Court. The plaintiff moves to have it remanded, because, as he says, the matter in dispute does not exceed the sum or

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value of \$500; and there is not a controversy in it between citizens of different States. (*Act of March 3d, 1875, 18 U. S. Stat. at Large, 470, sec. 2.*)

The matter in dispute is the value of the right to maintain the awning; not the amount of damage done by it to the plaintiff. (*Railroad Company v. Ward, 2 Black, 485.*) This appears to be more than \$500.

The Adams Express Company is a partnership and not a corporation. It has no existence apart from its members, and does not appear to be of itself a citizen of any place. The law of the State permits suit to be brought by or against the president or treasurer of such an association, instead of joining all the individual members. (*Code of Civil Procedure, §§ 1,919, 1,923.*) When an action is so brought no action can be brought against the members except on failure to obtain satisfaction of the judgment. (§ 1,921.) The officer is the only defendant on the record, although he represents the association, and the execution against him, if obtained, is to be satisfied out of the assets of the association. (§ 1,921.) The controversy is, therefore, between citizens of different States in this case, although others who may or may not be citizens of the same State with the plaintiff are interested in the controversy. The representative character of a party does not affect his right of removal. It depends upon his citizenship alone, without regard to that of those whom he represents, or of those who are interested in the controversy but are not parties to the record. (*Marshall v. Railroad Co., 16 How., 314; Knapp v. Railroad Co., 20 Wall., 117.*)

Motion denied.

Ira D. Warren, for the plaintiff.

Clarence A. Seward, for the defendant.

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EMIL DIECKERHOFF vs. WILLIAM H. ROBERTSON.

Two suits were brought to recover back duties paid to a collector of customs, No. 1 was brought within 90 days after the decision of the Secretary of the Treasury on appeal. No. 2 was not brought till after the 90 days had expired. The plaintiff moved to amend the bill of particulars in No. 1 by including in it the items sought to be recovered in No. 2: *Held*, that, under section 2,981 of the Revised Statutes, the motion must be denied.

(Before WALLACE, J., Southern District of New York, February 24th, 1887.)

WALLACE, J. Since the decision in *Pott v. Arthur*, (15 *Blatchf. C. C. R.*, 314,) this Court has frequently exercised the power of permitting plaintiffs, in suits to recover duties illegally exacted by collectors of customs, to amend the bill of particulars as to essential contents, notwithstanding the mandatory language of section 3,012 of the Revised Statutes, which enacts that the suit shall not be maintained unless the bill of particulars containing the matters specified be served within thirty days after due notice of the appearance of the defendant. In that case, Judge Blatchford construed the statute as directory merely, and allowed the dates of the invoices which had been omitted to be supplied by amendment.

In subsequent cases, when a similar application has been made, the amendment sought has always been as to some formal matter, not involving any substantial rights of the defendant, which had been omitted or misstated by inadvertence; and the United States attorney, probably feeling that it was hardly consistent with the dignity of the Government to seek to defeat a just claim by insisting upon a trivial slip in practice, has not opposed the application further than by refusing to consent to its allowance.

The present motion, however, stands upon a different footing, and the effort is now made by the plaintiff, by an amendment of the bill of particulars, to transfer a cause of

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action pending in another suit brought by the plaintiff against the defendant, (No. 10,072,) to recover duties, from that suit to this, (No. 9,187.) No. 10,072 was not brought within ninety days after the decision of the Secretary of the Treasury upon the appeal relative to the duties in question, and, consequently, will be defeated by the short bar of section 2,931 of the Revised Statutes. This suit, brought to recover other items of duties, was brought within ninety days, and after the cause of action in No. 10,072 accrued; and, under the form of the complaint, if the plaintiff can amend his bill of particulars, he can try his right to recover for the duties which cannot be recovered in the other suit. In effect, the Court is asked, where a plaintiff has brought two suits for causes of action that might have been united in the first of them, and is met by a defence in the second which is fatal, to allow him to amend his pleadings in the first, and introduce, as a new cause of action, the one which he cannot sustain in the second suit.

Although section 954 of the Revised Statutes confers power upon the Courts of the United States to exercise the widest discretion in permitting amendments of pleadings, it would be an abuse of this discretion to permit a plaintiff to revive a cause of action that is dead. In *The Schooner Harmony*, (1 Gall., 123,) Judge Story said: "That the statute of limitations would run against a cause of action then before the Court, has been held a good reason for allowing an amendment as to such cause of action. But in such cases the Court will not admit an amendment, if it be to introduce a new substantive cause of action, or new charge against the defendant." He refused to allow the amendment because it sought to introduce a new substantive cause of action which would be gone on an original information.

To permit the amendment now asked for would be a palpable violation of section 2,931, which, in declaring that the decision of the Secretary shall be final and conclusive unless suit is brought within ninety days after the decision, evinces in the plainest terms the intention of Congress that this class

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of actions, which could not be maintained at all except for the permission of Congress, shall be brought within that period or not at all.

The motion is denied.

Dudley F. Phelps, for the plaintiff.

Henry C. Platt, (*Assistant District Attorney*), for the defendant.

THE OLD DOMINION STEAMSHIP COMPANY

vs.

JOHN J. MCKENNA AND OTHERS.

The defendants, not in the employ of the plaintiff, a corporation and a common carrier, procured its workmen to quit work in a body, with the design to injure it; and afterwards, for the purpose of compelling it to pay such wages as they might demand, declared a boycott of its business, and attempted to prevent persons from dealing with it: *Held*, that such acts were illegal and actionable and the defendants were liable to arrest.

(Before Brown, J., Southern District of New York, February 25th, 1887.)

BROWN, J. This action was brought to recover \$20,000 damages alleged to have been sustained by the plaintiff, a corporation, through the unlawful action of the defendants in the recent strike of the longshoremen, and in their attempt to boycott the plaintiff in its business as a common carrier. The defendants are alleged to constitute, or to style themselves, an "Executive Board of the Ocean Association of the Longshoremen's Union." At the time of the commencement of the action they were arrested and held to bail, under orders of arrest issued in conformity with the State

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practice. The defendants now move, upon the plaintiff's papers only, to vacate the order of arrest, on the ground that the material facts charged are alleged on information and belief only, without a sufficient statement of the sources of information; that the facts stated do not make out a *prima facie* case; that it appears that the defendants were acting within their legal rights; that the plaintiff's loss, if any, is *damnum absque injuria*; and that, at best, the plaintiff's case is so doubtful, that the order of arrest should not be sustained.

I have carefully considered the elaborate arguments of counsel and examined the numerous authorities referred to. For lack of time, I can only state my conclusions:

1. All the material averments are either stated positively, or the source of information is sufficiently indicated.

2. The facts stated in the complaint and affidavit constitute a legal cause of action against all the defendants, for the actual damages suffered, for the following reasons:

(a) The plaintiff was engaged in the legal calling of a common carrier, owning vessels, lighters and other craft used in its business, in the employment of which numerous workmen were necessary, who, as the complaint avers, were employed "upon terms as to wages which were just and satisfactory."

(b) The defendants, not being in the plaintiff's employ, and without any legal justification, so far as appears—a mere dispute about wages, the merits of which are not stated, not being any legal justification—procured the plaintiff's workmen in this city and in Southern ports to quit work in a body, for the purpose of inflicting injury and damage upon the plaintiff until it should accede to the defendants' demands, and pay Southern negroes the same wages as New York long-shoremen, which the plaintiff was under no obligation to grant; and, such procurement of workmen to quit work, being designed to inflict injury on the plaintiff, and not being justified, constituted in law a malicious and illegal

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interference with the plaintiff's business, which is actionable.

(c) After the plaintiff's workmen, through the defendants' procurement, had quit work, the defendants, for the further unlawful purpose of compelling the plaintiff to pay such a rate of wages as they might demand, declared a boycott of the plaintiff's business, and attempted to prevent the plaintiff from carrying on any business as common carrier, or from using or employing its vessels, lighters, etc., in that business, and endeavored to stop all dealings of other persons with the plaintiff, by sending threatening notices or messages to its various customers and patrons, and to the agents of various steamship lines, and to wharfingers and warehousemen usually dealing with the plaintiff, designed to intimidate them from having any dealings with it, through threats of loss and expense in case they dealt with the plaintiff by receiving, storing, or transmitting its goods, or otherwise; and various persons were deterred from dealing with the plaintiff in consequence of such intimidations, and refused to perform existing contracts, and withheld their former customary business, greatly to the plaintiff's damage.

(d) The acts last mentioned were not only illegal, rendering the defendants liable in damages, but also misdemeanors at common law, as well as by section 168 of the Penal Code of this State.

(e) Associations have no more right to inflict injury upon others than individuals have. All combinations and associations designed to coerce workmen to become members, or to interfere with, obstruct, vex, or annoy them in working, or in obtaining work, because they are not members, or in order to induce them to become members; or designed to prevent employers from making a just discrimination in the rate of wages paid to the skilful and to the unskilful; to the diligent and to the lazy; to the efficient and to the inefficient; and all associations designed to interfere with the perfect freedom of employers in the proper management and control of their lawful business, or to dictate in any particular the

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terms upon which their business shall be conducted, by means of threats of injury or loss, by interference with their property or traffic, or with their lawful employment of other persons; or designed to abridge any of these rights—are *pro tanto* illegal combinations or associations; and all acts done in furtherance of such intentions, by such means, and accompanied by damage, are actionable. (See *Greenhood on Public Policy*, 648, 653; *People v. Fisher*, 14 *Wend.*, 1; *Tarlton v. McGawley*, *Peake*, *205; *Rafael v. Verelst*, 2 *W. Blackstone*, 1055; *Lumley v. Gye*, 2 *El. & B.*, 216; *Bowen v. Hall*, 6 *Q. B. Div.*, 333, 337; *Gregory v. Duke of Brunswick*, 6 *M. & G.*, 205; *Gunter v. Astor*, 4 *J. B. Moore*, 12; *Reg. v. Rowlands*, 17 *Ad. & El.*, *N. S.*, 671, 685; *Mogul Steamship Co. v. McGregor*, 15 *Q. B. Div.*, 476; *Walker v. Cronin*, 107 *Mass.*, 555; *Carew v. Rutherford*, 106 *Mass.*, 1; *State v. Donaldson*, 3 *Vroom*, (32 *N. J. Law*), 151; *Master Stevedore's Association v. Walsh*, 2 *Daly*, 1, 13; *Johnston Co. v. Meinhardt*, 60 *How. Pr.*, 168; *Slaughter House Cases*, 16 *Wall.*, 36, 116.)

3. There is no such doubt concerning the plaintiff's legal rights as should debar it from the usual remedy.

The motion to discharge from arrest is, therefore, denied.

Clarence A. Seward, for the plaintiff.

Louis F. Post and *Samuel Ashton*, for the defendants.

LEVI J. GUNN, TRUSTEE, AND OTHERS

vs.

JULIUS B. SAVAGE AND OTHERS. IN EQUITY.

Where the descriptive part of the specification of a patent is not only silent in regard to a feature of an invention claimed, but places the novelty upon a

different and described feature, such omission cannot be aided by the drawings.

(Before SHIPMAN, J., Connecticut, March 3d, 1887.)

SHIPMAN, J. This is a bill in equity which is founded upon the alleged infringement of letters patent, No. 314,189 and No. 314,192, each dated March 17th, 1885, and each issued to William Pearce, the first mentioned patent being for improvements in dies for forging ox shoes, and the second being for an improved method of forging ox shoes. The second patent is for the method of making shoes by the use of the dies of the first patent. As the decision of this case depends, in my opinion, upon the construction to be placed upon No. 314,189, it is important to give in full the substantial part of the specification, which is as follows: "The design of my invention is to enable ox shoes to be more easily, quickly and cheaply produced by means of dies; to which end said invention consists, principally, in the construction of the dies, whereby a number of shoes may be forged at one heat from a bar, substantially as and for the purpose hereinafter shown. It consists, further, in the series of dies used for forging a shoe, substantially as and for the purpose hereinafter set forth. It consists, finally, in combining with the forging-dies, constructed substantially as shown, a trimming die adapted to receive the sprue-connected blanks and to trim from each the surplus metal, substantially as and for the purpose hereinafter specified. In the carrying into effect of my invention, I make use of two forging-dies, A and B, which, for convenience, are formed within one block of metal and are arranged side by side, but may, if desired, be formed separately. The first of said dies, A, has the general size and shape of the desired shoe C, but is without means for forming the nail groove, while said second die, B, has the exact size and shape desired, and is provided with a Λ -shaped rib, *b*, which operates to produce the said nail groove *c* in said shoe. In practice, a straight bar of iron is heated and placed over the die A in substantially a line with the transverse centres

of the calk-recesses a and a' , in which position said bar is subjected to the action of a plain faced upper die and caused to fill the cavities of said die A. The partially-forged shoe C is now placed over the second die, B, and by means of said upper die is forced into the same and receives the exact shape required, including the nail groove c . In order that shoes may be forged directly from a bar, at each end of each die A and B is formed an outward and downward inclined face, a^2 and b^2 , respectively, which operates to produce a Λ -shaped transverse notch, c' , at each end of the shoe C and nearly severs the metal at such point. After the first shoe C has been partially completed by action of the die A, the heated bar is moved forward until the notch c' at its rear end fits over the correspondingly-shaped part that is formed by the calk-recess a' and the adjacent inclined face a^2 , and thus operate as a gage and enables the longitudinal position of the bar to be easily and accurately determined. After shoe C has passed through the finishing die B, it is placed over a female trimming die, D, within which is an opening, d , that corresponds to the outline of the completed shoe, and is then operated upon by an upper male die, E, which forces said shoe through said opening and removes all surplus metal from its edges. In order that said shoe when connected with the bar may more readily find a bearing upon said lower trimming die, the ends of the latter are provided with inclined faces d' , which corresponds to the faces a^2 and b^2 of the dies A and B."

The claims are as follows: "1. The forging dies described, each of which beyond the end of its intaglio has the metal cut away, to form a downward and outward inclining face, a or a' , substantially as and for the purpose specified. 2. The dies A and B, constructed as described, and adapted for forging an ox shoe from a straight bar of metal, substantially as set forth. 3. The series of dies A, B, D and E, constructed as described, and adapted for forging and trimming an ox shoe, substantially as shown."

The invention which was in fact made by the patentee

consisted of two parts: 1. The outward and downward inclined face at each end of each die A and B, and which is particularly described in the first claim. The defendants do not infringe this claim. 2. Prior to this invention of Pearce, the blank was subjected to one or more forging or bending operations, before it was placed in the die which gave it substantially the form of an ox shoe. By his invention, a straight bar of heated iron, having been placed in die A, was subjected to the action of a plain faced upper die and was thereby brought into "a close approximation of the shape desired for making an ox shoe." This blank was then placed in the second die B, which contained a rib or means for forming the nail groove, and was thereby finished, ready for the trimming dies D and E. The dies B, D and E were each old. A is a new die, whose characteristic, in the language of the plaintiffs' expert, is, "that there are no abrupt turns and the contours are joined to the bottom of the sinkage by incline warped surfaces, so that the plastic metal is easily forced into all parts of the die, thus giving, at a single operation, a form so nearly perfect, that it can be finished by placing it in a finishing die." "It is n't the shape of the die that gives it its peculiarity. The peculiarity of the die consists in forming a sinkage of easy flowing surface, especially adapted to receive and shape soft metal."

A vigorous attempt was made to show that a ribless die and the finishing die for forming the nail groove, which is always a ribbed die, had been consecutively used by John Deeble, one of the defendants, who offered much evidence to show that, prior to the Pearce invention in suit, he had made one size of ox shoes, by using, after the blank had been partially formed and bent by the use of other dies, a ribless die, instead of subjecting the blank directly to the ribbed or finishing die. This ribless die is said to have been used before the blank was completed by the ribbed die, because the rib frequently broke unless the blank had been previously prepared by the ribless die. This may have been true, but, if it was, it is immaterial, for the Deeble ribless die was a differ-

ent article from the Pearce die A, and the Deeble method of forging shoes was different from that of Pearce. By the Deeble process, the heated blank was struck edgewise in a die, to give the requisite curve; it was then struck in another impression, whereby each end of the blank was bent to form rudimentary calks, and was then placed in the finishing die. If the Deeble ribless die existed, it, like the Miller ribless die, which also preceded Pearce, did not contain the incline warped surface upon the inside of the intaglio. By the Pearce die A, a straight bar of heated iron was brought, without any previous manipulation or bending, into the general shape of an ox shoe, in readiness for the finishing die. The state of the art shows no anticipation of such an effect upon a straight bar of iron by a single die. The invention consisted in two dies A and B, the first new and the second old, by whose co-operative action, and without previous forging, a straight bar of iron can be forged into a finished ox shoe, in readiness for the usual trimming dies. The novel feature was such a construction of die A that it forged a straight bar into such a shape that it was in complete readiness for the finishing die. The invention greatly reduced the cost of making forged ox shoes, was not only novel and useful, but was the product of an inventive mind. The history of the gradual progress of the art is very instructive upon this point.

The important question in the case is, whether the patent described the second part of the actual invention, or omitted it so entirely that the second claim can only be construed to mean the dies A and B, as described, which description was confined to the double inclined face of the first claim. The only peculiarity of construction which the descriptive part of the specification mentions is the one which the patentee says enables shoes to be forged directly from a bar, and consists in placing at each end of each die A and B an inclined face, which produced a Λ -shaped transverse notch at each end of the shoe, and nearly severed the metal at such point. This peculiarity is clearly pointed out. The only other thing

which is said about the construction of dies A and B is, that A has the general size and shape of the desired shoe, whereas the second die has the exact size and shape desired, and has the well known rib for forming the nail groove. Not a word and not an intimation is given that die A contained any peculiarity, or any advantage, by reason of the incline warped surfaces, or that the drawing showed a new feature of this kind, or that there was any construction which enabled shoes to be forged directly from a bar, except that of the two inclined ends; and the only knowledge in regard to the novelty of construction of either of the dies which can be gained from the descriptive part of the specification is with reference to the peculiarity pointed out in the first claim.

It is contended that the drawings indicate or show clearly to a skilled mechanic the new feature of the incline warped planes upon the inside of the intaglio, and that, therefore, the drawings supplement any lack of clearness in the written part of the specification, and furnish the requisite description of the invention. The fact that the drawings show the invention is denied, but I am inclined to think that they do, partly from an inspection of the copies which are attached to the ordinary printed copies of the patent, and partly from the testimony of the patentee as to the care and exactness which were used by the draughtsman, and shall, therefore, assume that the plaintiffs are correct in their position in this regard.

The second claim employs general language, but, if the second feature of the invention is properly designated and described in the specification, the language aptly includes that feature. This question is then presented: One part of an invention is properly described, and the second part is not alluded to in the written descriptive part of the specification, but is shown in the drawings. The second claim is broad enough to include the second portion of the invention, if it had been properly described in the specification. Can the drawings supply the entire absence of written description and enable the second claim to be so construed as to include the

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omitted portion of the invention? The statute seems to be clear upon this point. Section 4,888 provides, that the inventor shall file in the Patent Office a written description of his invention, "and of the manner and process of making, constructing, compounding and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound and use the same." Section 4,889 provides, that, when the nature of the case admits of drawings, the applicant shall furnish one copy, which shall be filed in the Patent Office, "and a copy of the drawing, to be furnished by the Patent Office, shall be attached to the patent, as a part of the specification." There must be a written description of the invention. A description which is said to be vague and uncertain may be made clear by the drawings which are a part of the specification. An imperfect written description will be aided by correct drawings; but, when the written description is not only silent in regard to a feature of the invention, but places the novelty upon a different and described feature, the drawings will not help an entire omission, because the necessity of a written description is made absolute by the statute. Doubtful or ambiguous specifications can be aided and made plain by drawings, but they cannot supply an entire absence of description in the specification. (*Tinker v. Wilber Mfg. Co.*, 1 *Fed. Rep.*, 138; *Frazer v. Gates & Scoville Iron Works*, 22 *Fed. Rep.*, 439, 442.) Again, the drawings will not aid the non-description, because, although they may show to an expert the new feature, they do not show that the patentee claimed to be the inventor of that part of the die, when, in his specification, he had distinctly placed his invention upon another part. (*Ives v. Sargent*, 119 *U. S.*, 652.)

It follows, that the construction of the second and third claims must be, that dies A and B are the dies of the first claim and that the defendants do not infringe. This conclusion makes it unnecessary to consider the validity of the third claim.

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No. 314,192, being for the method of making ox shoes by the dies of the first patent, is, also, not infringed.

The bill is dismissed.

Bowdoin S. Parker and *Charles E. Perkins*, for the plaintiffs.

Marcus H. Holcomb and *Charles E. Mitchell*, for the defendants.

IN RE ROBERT BRUCE MCPHUN.

In an extradition proceeding under article 10 of the Treaty with Great Britain of August 9th, 1842, (8 *U. S. Stat. at Large*, 576,) for the delivery of a person charged with forgery committed in India, copies of depositions taken before a magistrate in India were presented, but no original depositions. The certificate of the consul did not certify that they were "authenticated so as to entitle them to be received for similar purposes by the tribunals of the foreign country," as required by § 5 of the Act of August 3d, 1882, (22 *U. S. Stat. at Large*, 216,) nor was there any oral or other proof to that effect. The accused, having been held by the Commissioner, was discharged by the Court.

(Before BROWN, J., Southern District of New York, March 9th, 1887.)

BROWN, J. Upon the complaint of the Consul-General of Great Britain at this port, the relator was arrested upon a charge of forgery, alleged to have been committed at Calcutta, in April, 1883, and brought before Commissioner Osborn, in proceedings for extradition, under article 10 of the Treaty of August 9th, 1842. Having been held by the Commissioner, the relator has been brought before the Court on *habeas corpus*, together with the proceedings, under a writ of *certiorari*.

Article 10 of the treaty with Great Britain, (8 *U. S. Stat.*

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at Large, 576,) provides, that the persons charged are to be delivered up “provided that this shall only be done upon such evidence of criminality as, according to the laws of the place where the fugitive or person so charged shall be found, would justify his apprehension and commitment for trial, if the crime or offence had there been committed;” that the magistrate shall have power to issue a warrant that the person charged may be brought before such magistrate, “to the end that the evidence of criminality may be heard and considered; and if, on such hearing, the evidence be deemed sufficient to sustain the charge,” that fact is to be certified and the person delivered up.

Section 5,270 of the Revised Statutes provides, that such proceedings may be had before Commissioners, and uses nearly the language of the treaty. The hearing before the Commissioner involves essentially two things—the identity of the prisoner, and the sufficiency of the evidence of criminality.

The identity of the prisoner is, in this case, established by the testimony of the officer who came from Calcutta with the warrant, and with the other papers designed to sustain the charge. These papers embrace the original warrant, dated August 11th, 1886, signed by the Chief Presidency Magistrate of Calcutta, and bearing the seal of that Court. The only evidence of criminality, however, is found in the copies of numerous depositions, which were taken before the Presidency Magistrate at Calcutta, in September, 1884, and in August, 1886. No originals are produced. The only question necessary for me to consider is the competency of these copies as evidence of criminality.

By the very terms of the treaty just quoted, the evidence of criminality must be such as, according to the law of the place where the fugitive is found, would justify his apprehension and commitment. The competency of the evidence must, therefore, be judged wholly according to our own law (1 *Greenl. Ev.*, § 522); and this must be either according to such rules of evidence as Congress may have prescribed,

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or, in the absence of such provisions, and in so far as they may be inapplicable, according to the rules of the common law.

It is not contended that, by the common law rules of evidence, mere copies of *ex parte* depositions, taken before a foreign criminal magistrate, though attested by the clerk of his Court, would here be competent evidence of criminality. Betts, J., in the *Case of Kaine*, (10 *N. Y. Legal Obs.*, 257, 268,) says expressly, that such copies, though they were there attested by the clerk, and by the oath of the witness producing them, were not competent proof at common law, though he held them sufficient under the Act of 1848. See, also, *In re Kaine*, (14 *How.*, 103, 115, 116, 144, 146, and 3 *Blatchf. C. C. R.*, 1.) Where the ultimate fact to be proved is merely the existence of a foreign record, such, for instance, as the fact of a foreign judgment in a suit brought upon that judgment, a properly attested or authenticated copy is admissible. (1 *Greenl. Ev.*, §§ 514, 527, 538, 552.) Here the ultimate fact is the criminality of the accused. The original depositions are only evidence tending to show criminality, and the attested copies presented are only evidence of evidence.

The statutes of a foreign country relating to the sufficiency of evidence in extradition proceedings, within its own dominions, such as the statute of 33 & 34 Victoria, ch. 52, §§ 14, 15, (*L. R.*, 5 *Stat.*, 292,) have no relevancy, except in so far as the laws of our own country may make them relevant; because, by the treaty itself, the primary question is not what is competent evidence abroad, but what is competent evidence here. (*In re Fowler*, 18 *Blatchf. C. C. R.*, 430, 439.) The statute of 33 & 34 Victoria relates to copies of foreign depositions only, not to copies of depositions taken within the British dominions.

Various provisions have been enacted by Congress, from time to time, touching the papers and documents, or copies thereof, which may be received as evidence of criminality. As respects copies, it was provided by the Act of August 12th, 1848, (9 *U. S. Stat. at Large*, 302, § 2,) that "copies of depo-

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sitions upon which an original warrant in any such foreign country may have been granted, certified under the hand of the person or persons issuing such warrant, and attested upon the oath of the party producing them to be true copies of the original depositions, may be received in evidence of the criminality of the person so apprehended." By the Act of June 22d, 1860, (12 *U. S. Stat. at Large*, 84,) it was provided that any "depositions, warrants or other papers, or copies thereof," shall be admitted "for the purposes mentioned in the said section" [*i. e.*, as evidence of criminality] "if they shall be properly and legally authenticated, so as to entitle them to be received for similar purposes," [*i. e.*, as evidence of criminality] "by the tribunals of the foreign country from which the accused party shall have escaped." By the Act of June 19th, 1876, (19 *U. S. Stat. at Large*, 59,) it was provided, 1st, that "any depositions, warrants or other papers" shall be admitted, if "properly and legally authenticated so as to entitle them to be received as evidence of the criminality of the person so apprehended, by the tribunals of the foreign country from which" he escaped; and, 2d, that "copies of any such depositions, warrants, or other papers, shall, if authenticated according to the law of such foreign country, be in like manner received as evidence." By section 5 of the Act of August 3d, 1882, (22 *U. S. Stat. at Large*, 216,) the Act of 1860 is, in substance, restored, and it is enacted, that any "depositions, warrants, or other papers, or copies thereof," "shall be received and admitted as evidence on such hearing, for all the purposes of such hearing, if they shall be properly and legally authenticated so as to entitle them to be received for similar purposes by the tribunals of the foreign country from which the accused party shall have escaped; and the certificate of the principal diplomatic or consular officer of the United States resident in such foreign country shall be proof that any deposition, warrant, or other paper, or copies thereof, so offered, are authenticated in the manner required by this Act." There is no other provision for the admission of

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copies. By section 6 of the Act last named, prior statutes, so far as inconsistent with that Act, were repealed.

The term "similar purposes" must receive the same construction in the last named Act as in prior Acts. By its context it naturally refers to the words in the previous line, "for all the purposes of such hearing;" that is, to the proof of criminality, which is the purpose of the hearing. The same construction had been given to similar words in prior statutes. (*In re Farez*, 7 *Blatchf. C. C. R.*, 345, 353; *In re Henrich*, 5 *Id.*, 414, 424.)

The Act of 1876 made different provisions as respects original depositions, and *copies* of such depositions. This distinction is pointed out and commented upon by Mr. Justice Blatchford, in the case of George Fowler, (18 *Blatchf. C. C. R.*, 430, 435.) Under that Act, in order to make use of copies, there must, first, be original depositions, which, by the foreign law, would be proof of criminality; and then the copies offered in evidence were only required to be "authenticated according to the law of such foreign country." The Act of 1882, in repealing the former statutes inconsistent with it, and in placing copies upon the same footing as originals, has required the same conditions as respects copies that it requires as respects originals; namely, that, whichever be offered, whether the original or a copy, it must be a paper legally authenticated so as to entitle it to be received for similar purposes, (that is, as evidence of criminality,) by the tribunals of the foreign country. In this respect, the Act of 1882 is precisely similar to that of June 22d, 1860, above referred to.

The case of *Henrich*, (5 *Blatchf. C. C. R.*, 414,) arose under the Act of 1860, and was very carefully considered. The opinion, delivered by Shipman, J., was concurred in by Mr. Justice Nelson and by Blatchford, J. It was there said, (p. 425 :) "Each piece of the documentary evidence offered by the agents of the foreign government, in support of the charge of criminality, should be accompanied by a certificate of the principal diplomatic or consular officer of the United

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States, resident in the foreign country from which the fugitive shall have escaped, stating clearly that it is properly and legally authenticated, so as to entitle it to be received in evidence in support of the same criminal charge by the tribunals of such foreign country."

Under none of the previous statutes could the copies of the depositions in the present case be admitted; for the reason that these copies are not "certified under the hand of the person issuing such warrant," that is, under the hand of the Presidency Magistrate, even if these provisions could be deemed now in force. As attested copies are not competent merely upon the common law rules of evidence, the case as against the accused must stand upon the provisions of section 5 of the Act of August 3d, 1882. Under that Act, as under the Act of 1860, the prosecution may rely upon the certificate of the diplomatic or consular officer, which, if in conformity with the statute, is, of itself, absolute proof that the papers so certified are receivable in the foreign country in proof of criminality. But, if that certificate be not conformable to the Act of Congress, resort may then be had, under the former part of the 5th section, to any oral or other proof that may be competent to show that the copies presented are so authenticated as to entitle them to be received, as evidence of criminality, in a proceeding for commitment or transportation for trial, in the foreign country from which the accused party shall have escaped. (*In re Fowler*, 18 *Blatchf. C. C. R.*, 430, 437, 438; *In re Wadge*, 15 *Fed. Rep.*, 864, affirmed on appeal, 21 *Blatchf. C. C. R.*, 300.) The foreign law in the latter case must be proved as a fact. No oral proof of this kind has been submitted, nor, so far as the general law of Great Britain, or the local British law of India, has been ascertained by reference to books, has it been found that mere copies of original depositions taken before a magistrate, and attested by the clerk of his Court, would be anywhere within the British dominions competent proof against the accused for the purposes of commitment.

If, for instance, the prisoner had been found in London,

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and proceedings were had there, upon this original warrant from Calcutta, for the purpose of his commitment and transportation to Calcutta for trial, it is provided, by the statute of 6 & 7 Victoria, that, upon such an arrest in London, and on his being brought before a criminal magistrate there, such evidence of criminality must be there produced as would justify committal if the offence had been there committed, provided always, (§ 2,) "that, in every such case, copies of the depositions upon which the original warrant was granted, certified under the hand of the person or persons issuing such warrant, and attested upon the oath of the party producing them to be true copies of the original depositions, may be received in evidence of the criminality of the person so apprehended." Our statute of 1848, above cited, was manifestly framed upon the statute of 6 & 7 Victoria. The language is nearly identical in each. From this it is clear, that, unless there be some later statutes that I have not found, the attested copies in this case could not have been received in evidence if this proceeding had been in London, for example, nor could the prisoner have been committed for transportation; because the attested copies are not certified under the hand of the Presidency Magistrate who issued the original warrant.

The case must stand, therefore, upon the certificate of the consul alone. That certificate is very full in many respects. All that relates to the certified copies, however, is in the following words: "And I certify that all and every, the certified copies hereunto attached, are properly and legally authenticated and certified according to the law in force in British India, so as to enable them to be used in evidence, and as proof that the originals were duly received in evidence by the said Gilbert Stuart Henderson, Esquire, and the said Frederick John Marsden, Esquire, respectively, in proof of the criminality of the said Robert Bruce McPhun named therein, in respect of the said charges of forgery, uttering and cheating."

Had the foregoing certificate omitted all that follows the words "used in evidence," and added only "for similar purposes," that, with the context, must have been held sufficient;

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as in the case of Wadge, (*supra.*) But, upon repeated consideration, I find myself unable to construe what follows the words "used in evidence" as intended otherwise than as a definition of the purposes for which the copies might be received; namely, as evidence that certain originals were on file, which originals had been duly received in evidence by the magistrates at Calcutta, as proof of criminality. That is manifestly quite a different thing from what our statute requires. The certificate amounts to no more than what would be the force of the copies as evidence at common law, namely, that such depositions existed at Calcutta, which might be used as evidence as against the parties who made the depositions, perhaps, though not competent evidence of the criminality of the accused. (1 *Greenl. Ev.*, §§ 532, 538, 539.)

The evident meaning of the Act of 1882 is, that whatever papers are so authenticated as to be receivable in evidence in the foreign country, as proof of the criminality of the accused, may be received in evidence here; and that our consul's certificate that they are so authenticated as to be entitled to be used for that purpose there shall be conclusive proof on that point.

Proof that there is competent and legal evidence on file elsewhere is not the same thing as proof of criminality here. If these copy depositions, attested, as these are, by the clerk, are competent evidence of criminality as against the accused in any part of the British dominions, a certificate to that effect, by the general consular officer, is sufficient. The elaborate form of the consul's certificate in the present case rather supports the inference that copies thus attested by the clerk of the foreign Court could not be used as, in themselves, evidence of criminality. Had the consul's certificate ended with the words "used in evidence," it would have been clearly insufficient. What follows those words manifestly does not comport with the meaning of the statute, but is a very different qualification.

It cannot be justly claimed that there is anything unreasonable in the Act of Congress, or in the construction here given

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to the certificate of the consul, which requires, as a condition of the receipt of copies of depositions as evidence of criminality here, that the copies should be legally receivable in evidence, as proof of criminality, within the kingdom from which the accused has escaped. If such copies were receivable here, although they were not competent evidence of criminality in the foreign country, the effect would be that persons would be committed and extradited to distant lands upon proof which was there incompetent. Nor can there be any practical difficulty in obtaining the magistrate's certificate to the original depositions taken by him, and then such copies so attested and certified could be received here, on the proper certificate of the consul, or on proof of the British law, as found in the 6 & 7 Victoria, above quoted.

The Act of Congress of 1876 may possibly have permitted for a time the introduction of copies on less proof, because the authentication required as to copies did not expressly require that the copies should be competent evidence abroad, but the Act of 1882, as stated above, has placed both originals and copies under the same restrictions, and has provided, in effect, that they are not to be receivable here unless they would be receivable in the foreign country as proof of criminality, or are certified to have that effect.

There has long been a practice, where an original warrant, upon competent original proof, has been issued by the magistrate where the offence was committed, to transmit the warrant to some other district where the accused may be found, and to procure his arrest there under the original warrant, upon the endorsement and allowance thereof by the local magistrate, under which the prisoner is thereupon removed to the place of trial. In such cases, there may or may not be further inquiry concerning the criminality of the accused in the place where he is found and arrested. (See 1 *Chitty, Crim. Law*, 75, 82, 88, 89.) Various statutes of Geo. II and Geo. III expressly authorized this practice. (See 45 Geo. III, *ch.* 92; 48 Geo. III, *ch.* 58; 2 *Hale, P. C.*, 285.) The statute of 6 & 7 Victoria, above quoted, required proof of criminality,

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and admitted copies of depositions, under conditions not in this case complied with. Such proceedings rest upon statute law. Whatever may be the practice at present as respects British India, nothing appears that has relevancy to the present case. The treaty itself, as I have said, requires proof of criminality here. As I am obliged to hold that the proof produced in this case was not competent, either according to the law of Congress, or according to the common law, the commitment cannot be sustained.

If there were reasonable grounds to suppose that the imperfection of the consul's certificate in this case had arisen from inadvertence, or from a misunderstanding of the intention of the Act of Congress that the copies must be certified to be competent evidence of criminality, the Court would remit the proceedings to the Commissioner for a further hearing, if it also appeared that, by the general English law, or by that of British India, copies of depositions attested in this manner were, in fact, competent proof of criminality; for other proof of this fact might supply the defects of the consul's certificate. But, though inquiries have been made by the Court, from the first, concerning the British law in this respect, nothing has been cited from the text-books, statutes, or reports, that goes to show that there is any such law or practice within the British dominions as would make these copies evidence of criminality.

The prisoner must, therefore, be discharged.

F. F. Marbury and *Charles Fox*, for the British Government.

E. R. Johns, *John R. Abney* and *J. T. Hoffman*, for the petitioner.

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ROSCOE BEAN

vs.

WILLIAM P. CLARK AND OTHERS. IN EQUITY.

Where issue is taken on a plea to a whole bill in equity, and the proofs establish the facts alleged in the plea, the defendant is entitled to judgment, even though, had the plea been set down for argument, the facts averred would not have authorized such judgment.

Rule 33 in Equity held to warrant this conclusion.

(Before WALLACE, J., Northern District of New York, March 13th, 1887.)

WALLACE, J. The plea of the defendants goes to the whole bill. The complainant has taken issue upon the plea and the case is now here upon the proofs. The only inquiry is whether the proofs establish the facts alleged in the plea. If they do the defendants are entitled to judgment upon the plea, even though, had the plea been set down for argument, the facts averred would not authorize a judgment. Having taken issue upon the plea, the complainant cannot now assert that the facts alleged are not a good defence to the bill. (*Story, Eq. Pl., sec. 697; Rhode Island v. Massachusetts, 14 Peters, 210; Myers v. Dorr, 13 Blatchf. C. C. R., 22; Bogardus v. Trinity Church, 4 Paige, 178; Birdseye v. Heilner, 26 Fed. Rep., 147.*)

Equity Rule 33, promulgated by the Supreme Court in 1842, declares, that if, upon an issue, the facts stated in the plea be determined for the defendant, they shall "avail him as far as in law and equity they ought to avail him." It may be that this rule was intended to relieve a complainant from the hardship of having his suit barred when the facts stated are determined in favor of the defendant, although they would not be a defence. But the language is consistent with the meaning, that, if the plea extends to part only of the matters of the bill, the suit is to be barred so far as the plea

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extends; and, if this is the correct interpretation, the rule does not change the pre-existing practice. The effect of Rule 33 has not been considered by the Supreme Court in any reported case; and, until that Court passes upon the question, this Court should adhere to the decisions in *Myers v. Dorr* and *Birdseye v. Heilner*.

Disregarding those averments of the plea which are only matters of legal conclusion, the substantive facts alleged are these: that a suit was pending, brought by the defendants for infringement of patents belonging to them, against parties who were the agents of Mast, Foos & Company, and a suit was also pending, brought against these defendants by Mast, Foos & Company and the present complainant, for infringement of patents belonging to the latter; and that, in consideration of an agreement on the part of these defendants to dismiss their suit, Mast, Foos & Co. and the complainant "agreed forthwith to dismiss their aforesaid bill against the defendants and to release and license them" to use their inventions for the term of their patents. The plea then avers, that, in pursuance of said contract, on or about the 26th day of August, 1882, an agreement in writing was entered into between the said parties, duly signed and executed by the defendants and by said Mast, Foos & Company, with the approval and acquiescence of the complainant, with full authority from him to make the terms and conditions and grant the rights, licenses and privileges therein provided for; that the said agreement was at the time fully understood and intended by the complainant, and all the parties thereto, to be a final agreement, executed, and in force and effect from the date thereof, and not a mere memorandum of an unexecuted agreement; that no alteration or modification thereof was ever agreed upon between the parties thereto; and that the said contract is still in full force, and the defendants have complied with, and ever have been and still are ready to comply with, all the terms and obligations thereof. By the contract the parties agree "that the suits now pending on both sides be withdrawn, and that each

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party take license from the other at a fixed price for shop right, the consideration on both sides to be equal;" that they make uniform prices on pumps of the same size, and adopt the same discounts to dealers, as the minimum prices below which they will not sell directly or indirectly; and, as the cost of manufacture may change from time to time, and it may be deemed necessary to change the lists of discounts, then that such changes of lists of discounts shall be adopted by mutual consent; that each party is to maintain their own distinctive features in their pumps and not imitate the pumps of the other; and that the licenses to each other shall convey the right to use only such features as are now used by each. The contract further recites as follows: "It is also agreed by both parties to this agreement, that neither will license to others the use of any of those patents to be used in the same territory in common with the other, but may license to their successors in business for a portion or all the territory, but with the same restrictions. The adjustment of this agreement, as to the forms to be entered upon the Court records, shall be referred to the attorneys of both parties conjointly."

The issues of fact to which the proofs are addressed are first, whether the instrument of August 26th, 1882, was executed by Mast, Foos & Company with the sanction and approval of the complainant; and, secondly, whether this instrument was intended by the parties to be a final agreement in force from its date, or merely a memorandum for an agreement thereafter to be entered into by the parties.

Although the complainant did not sign the instrument and was not mentioned in it as a party, the proofs are clear that he participated in the negotiation which led to its being signed, was present when it was signed, knew its terms, and intended to allow Mast, Foos & Company, who were his exclusive licensees for the full term of his patent, and the parties mainly interested in the litigation with the defendants, to make such an adjustment with them as seemed at the time to be advantageous to all concerned. None of the par-

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ties considered it necessary for him to sign the instrument, but all assumed that Mast, Foos & Company were the persons interested in adjusting all questions in controversy with the defendants and had full authority to release them from liability for past acts and license them to use the complainant's inventions in the future. This is plain, not only from the testimony as to what took place during the negotiations and when the contract was signed, but also from the circumstance that the contract subsequently prepared and submitted by Mast, Foos & Company to the defendants, and which complainant now insists was intended to be the final contract, was not to be executed by the complainant himself but was one in which Mast, Foos & Company and the defendants were named as the only contracting parties.

The purpose of the parties in reducing to writing what they had already agreed upon was to enter into a definitive contract, covering the results of their oral agreement. Protracted negotiations had taken place between them. They had arrived at an understanding upon many matters which had been discussed. They had agreed that the pending suits to which they were parties should be discontinued, and that each should be released by the other from liability for past invasions or alleged invasions of the other's rights. They had also agreed that each should have the right to use the inventions of the other in the future, for manufacturing such pumps as each had been manufacturing in the past, and that licenses should be exchanged, by which each should convey to the other the privilege to do so, and that "the consideration upon both sides should be equal." They had also agreed to adopt uniform prices for pumps of the same sizes, and the same discounts, as the minimum prices at which each should sell their pumps in the future. To the extent of the understanding thus reached the agreement which was reduced to writing was intended to be a finality. As to other matters they had not fully come to an understanding. Among other things, they had not concluded fully upon the terms and conditions of the licenses which were to be ex-

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changed. Various details relating to the manner in which their future business relations were to be maintained had not been adjusted, and these were intended to be left open for subsequent adjustment. The instrument was not intended to be merely a written memorandum to serve as the basis of an agreement thereafter to be consummated. Upon its face it purports to be a concluded contract, so far as its provisions extend. If, as is insisted for the complainant, the instrument was intended to be merely "an agreement to agree thereafter," there is no reason why it should have been reduced to writing and signed. It is silent as to any future acts of formal execution. Although inartificially drawn, obscure, and capable of different interpretations in several particulars, its provisions embrace, although in very inadequate terms, every matter which the parties had definitely agreed to. For this reason, as also because the circumstances surrounding its execution are consistent with no other conclusion, it seems clear that it was intended to be a final and completed agreement, so far as it related to the matters upon which the minds of the parties had met. The closing clause of the agreement indicates this with great significance.

It may be conceded that the language of the contract is so ambiguous in its provisions relating to licenses that it is incapable of any rational interpretation. It may be conceded, further, that the agreement does not of itself license the defendants to use the complainant's patented inventions, but, at best, only confers upon them the right to compel specific performance of the covenant to grant the license. It may be conceded that the contract is so vague and uncertain in this respect that specific performance could not be enforced. It may be conceded that the agreement, and the readiness of the defendants to perform it upon their part, would not operate as a discharge and satisfaction of the complainant's claim for damages for previous infringement of his patents. If the plea had been set down for argument, these points would have been open to discussion, and it is more than likely that the complainant would have prevailed. But the only ques-

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tion now is whether the facts set up in the plea are true. As they are found to be established by the proofs the defendants must prevail.

J. R. Swan, for the plaintiff.

John E. Brandegee, for the defendants.

THE MCCARTY AND HALL TRADING COMPANY

vs.

JULES GLAENZER. IN EQUITY.

A bill in equity for the infringement of a patent, filed by an exclusive licensee to use and sell, averred that the owner of the patent claimed that the license was forfeited, and was selling the patented article through the defendant, as agent. The answer admitted the validity of the patent and alleged the forfeiture of the license. The bill was filed in a Circuit Court of the United States in New York, of which State both parties were citizens: *Held*, on the authority of *Hartell v. Tilghman*, (99 U. S., 547,) that the Circuit Court had no jurisdiction of the case, although the Court of Appeals of New York subsequently held that the Courts of New York had no jurisdiction of such a case.

(Before WALLACE, J., Southern District of New York, March 15th, 1887.)

WALLACE, J. The motion for a preliminary injunction must be denied because, upon the authority of *Hartell v. Tilghman*, (99 U. S., 547,) this Court has no jurisdiction of the controversy disclosed by the bill and answer.

The bill asserts, that the plaintiff has the exclusive right to use and sell, throughout the United States, certain patented mirrors, by virtue of a license granted to Hall, Nicoll & Granbery by the owners of the patent, and by Hall, Nicoll & Granbery assigned to the plaintiff, with the consent of the owners of the patent; that the owners of the patent claim,

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without just cause, (and the bill sets forth all the facts,) that the license has become forfeited; and that the defendant, as the agent of the owners of the patent, is now selling the patented mirrors in disregard of the plaintiff's rights. The answer admits the validity of the patent; admits that the mirrors the defendant is selling are the mirrors of the patent; admits that he is selling them as the agent of the owners of the patent; denies that the plaintiff has any cause of action; and asserts that his rights under the license had terminated, by reason of non-performance of one of the conditions of the license, before the alleged acts of infringement.

The parties are citizens and residents of this State, and, according to *Hartell v. Tilghman*, although the suit is brought for infringement, inasmuch as the defendant admits the validity and use of the patent, and the rights of the parties depend wholly upon common law and equity principles, as applied to the contract stated in the bill, the case does not arise under any Act of Congress, and the plaintiff can and must resort to the State Court for his remedy.

The precise question has been decided the other way by the Court of Appeals of this State, in *Continental Store Service Co. v. Clark*, (100 N. Y., 365,) and in *Hat Sweat Mfg. Co. v. Reinoehl*, (102 N. Y., 167,) where it was held, that in such a case the plaintiff can and must resort to the Circuit Court of the United States. It will probably afford the plaintiff poor comfort to know, that while in this conflict of authority he is apparently left without a remedy for the violation of his rights, the question has received careful consideration at the hands of both the tribunals of last resort, Federal and State, and was decided in each by a divided Court.

George W. Van Slyck, for the plaintiff.

Eaton & Lewis, for the defendants.

Phelps v. Elliott.

THOMAS J. PHELPS vs. JOHN ELLIOTT. IN EQUITY.

A defendant in a suit in equity, after a replication to his answer, moved for leave to withdraw his answer and to demur to the bill, on the ground that, since the replication was filed, the bill had been dismissed as to a co-defendant, on his demurrer to it: *Held*, that the motion must be denied.

(Before WHEELER, J., Southern District of New York, March 16th, 1887.)

WHEELER, J. The defendant has answered the bill, and issue has been joined by replication. Since the joinder of issue, one Kieckhoefer, named in the bill but not served with process, became a party defendant and demurred to the bill. His demurrer was sustained on a statute of limitations and the bill dismissed as to him. (29 *Fed. Rep.*, 53.) On settlement of the order it was claimed that the bill, on the adjudication of insufficiency as to Kieckhoefer, should be dismissed as to all; which was denied. The defendant then moved for leave to amend his answer, which was denied. He now moves for leave to withdraw his answer and demur. This motion is urged principally upon the ground that a new case has been made by what Kieckhoefer has done in it. The case does not, however, appear to stand differently now from the manner in which it stood when the defendant answered the bill. Kieckhoefer was not a party then, and is not now. If he was a necessary party then when he became one, or has been since, he was when the defendant answered, and his absence, as a ground of demurrer, was the same then as now. That Kieckhoefer's demurrer was sustained does not show that one by the defendant would be, for the suit was commenced against the defendant about two years before Kieckhoefer became a party to it. If the motion should be granted and the demurrer be overruled, the defendant would then, by Equity Rule 84, be entitled to answer the bill again. Thus indirectly he would obtain that which the Court has refused to grant when asked for directly. It is

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not understood that any question can be raised by demurrer to the bill that cannot be raised on final hearing, on bill, answer and proofs. The rights of the parties are supposed to stand upon the sufficiency of the allegations in the bill throughout. A demurrer would be an experiment. The saving which might be made in expense by it is not made to appear to be sufficient to warrant trying it. Justice can probably be as well done by pursuing the usual course, on which the defendant started.

Motion denied.

Herbert B. Titus, for the plaintiff.

William G. Choate, for the defendant.

WILLIAM A. COOKE, JR.

vs.

THE GLOBE FILES COMPANY AND OTHERS. IN EQUITY.

Claims 3 and 4 of letters patent No. 282,275, granted to William A. Cooke, Jr., July 31st, 1883, for a letter and invoice file, do not cover any patentable invention, the device added to prior structures being one to merely strengthen them, by obvious means, in weak places.

(Before WHEELER, J., Southern District of New York, March 16th, 1887.)

WHEELER, J. This suit is brought upon patent No. 282,275, dated July 31st, 1883, granted to the orator for a letter and invoice file, for the reception and classification of papers. The specifications of the patent describe a file having pockets formed of leaves and partitions connected by gussets at the ends, with a piece of tape, of linen or other suitable material, pasted or otherwise applied to the gussets, and connected to the sides of the file by having its ends fas-

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tened between the sides and outside covers. The object of the tape is set forth to be to strengthen the tops of the gussets and give stiffness to the parts to which it is attached, and to connect the opposite sides of the file by a stronger and more durable material than the gusseted ends of the pockets are required to be made of. There are five claims, the 1st, 2d and 5th of which are for the gusseted bottoms and ends and partitions and flap. The 3d is for the combination of the tape called the re-enforce piece with the ends, partitions, and connecting pieces. The 4th is for the combination of the tapes attached to the gussets and their ends held between the sides and the outside covers with the gusseted ends of the pockets. The use of the re-enforce piece is the only infringement complained of and applies only to the 3d and 4th claims. The case shows, and it is conceded in argument, that all the rest of the structure of the file is older than the plaintiff's invention. This piece added no new part or function to what was known and in use before, but merely strengthened the parts of the files in places where they were weak and needed strengthening, to which they were attached. Question is made as to whether the addition of this piece for this purpose constituted a patentable invention. What was needed in the prior structures was merely to make them stronger where they were shown by use to be too weak. The inventor in this patent strengthened them by obvious means in these weak places. Neither the discovery of anything new, nor the application of genius to the things known, nor anything beyond the skill of a good workman, appears to have been required or exercised in the accomplishment of this result. Careful and repeated consideration of this subject, in view of the cases which have been decided bearing upon it, leads to the conclusion that the part of this patent claimed to be infringed does not cover any patentable invention. The invention does not appear to be any greater than that in *Gardner v. Herz*, (118 U. S., 180,) which was held not to be sufficient to support a patent. No reference to any

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other decided case or to any other point in this case is deemed to be necessary.

Bill dismissed, with costs.

William E. Gleason, for the plaintiff.

R. H. Parkinson, for the defendants.

HARRISON R. JOHNSTON

vs.

THOMAS F. DONVAN AND ANOTHER. IN EQUITY.

Where a cause has been remanded to a State Court, because the petition for removal by the defendant did not set forth the diverse citizenship of the parties at the commencement of the suit as well as at the time of removal, the defendant cannot again remove the cause on the ground of diversity of citizenship.

(Before WHEELER, J., Southern District of New York, March 18th, 1887.)

WHEELER, J. This cause was removed from the State Court to this Court, on the ground that the parties were citizens of different States, by the defendants. On motion of the plaintiff it was remanded, because the petition did not set forth the diverse citizenship of the parties at the commencement of the suit as well as at the time of removal. The defendants have now removed the cause again on the same ground. The plaintiff has moved to remand again, because, as he claims, a second removal on the same grounds is not allowable. The defendants insist that the former petition was so defective that it did not really effect a removal, and that, therefore, this is the only removal and not a second removal. The former petition did, however, bring the cause into this Court and within its jurisdiction, so that a motion to

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remand was necessary. If the former motion to remand had not been made this Court would have properly retained the case. (*Davies v. Lathrop*, 21 *Blatchf. C. C. R.*, 164; *Edwards v. Conn. Mut. Life Ins. Co.*, 20 *Fed. Rep.*, 452.) The former motion to remand was, therefore, properly before this Court, and its decision upon it was conclusive, except upon appeal. The defendants' right of removal was involved upon such proceedings as the plaintiff chose to take that brought it in question. That right was adjudicated and settled and could not again be brought in question upon new proceedings. (*Railway Company v. McLean*, 108 *U. S.*, 212.) As the defendants had no right to try that right over again, this second removal was improper, and this motion to remand must be granted. The defendants ask a stay of proceedings for 20 days to enable them to take an appeal, if this motion is granted; no stay is thought to be necessary, however, for that purpose, other than that provided for by *sec. 1,007 Rev. Stat. U. S.*

Motion granted.

Walter C. Gilson, for the plaintiff.

George C. Holt, for the defendants.

J. A. FAY & COMPANY vs. OSCAR ALLEN. IN EQUITY.

On a reference to a master to ascertain the profits from infringing a patent for improvements on a machine, it is erroneous to award the profits on the entire machine, unless the plaintiff proves that the entire market value of the machine is due to the patented features.

(Before COXE, J., Northern District of New York, March 19th, 1887.)

COXE, J. This action was founded upon two letters patent owned by the complainants. The Court decided, (*Fay v.*

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Allen, 24 *Fed. Rep.*, 804,) that the defendant infringed three of the five claims of the Doane and Bugbee patent, but that he did not infringe the Locke patent. The master has found that the defendant has sold thirty-five machines containing the features covered by the first three claims of the Doane and Bugbee patent, upon which he has received a profit of \$5,542.10. This amount was arrived at by deducting the total cost of the machines from the sum for which they were sold. The defendant excepts to the report upon the ground that the complainants have failed to distinguish what part of the defendant's profits was derived from the use of the patented improvements. There is no disagreement as to the law; the dispute arises upon the facts. The complainants concede that they cannot recover the amount found by the master if the claims infringed cover simply and only an improvement grafted upon previously existing spoke-throating machines. But they contend that the patent must be regarded as covering not an improvement but a new machine, and that the rule of *Garretson v. Clark*, (111 *U. S.*, 120,) *Dobson v. Hartford Carpet Co.*, (114 *U. S.*, 439,) *Dobson v. Dornan*, (118 *U. S.*, 10,) and other like cases, does not apply, for that reason. This proposition is strenuously controverted by the defendant, who insists that the claims cover improvements and nothing more. The conclusion is reached, not, however, without hesitation, that the defendant's position in this regard is well founded.

Turning to the record and the brief used at final hearing, we find it asserted over and over again by the counsel and expert for the complainants, that the patent in question covers improvements which are superadded to the Locke invention. It also appears, that the infringing machine contains devices not at all covered by the patent in question. The defendant introduced no testimony before the master, but the complainants proved that other manufacturers had on the market an old-fashioned machine which throats but one side of a spoke at a time, the usual selling price of which was \$100. These facts, among others, made it obligatory upon the complain-

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ants to adduce clear and positive proof apportioning the profits, or equally convincing proof that they should not be apportioned, for the reason that the entire market value of the machine is due to the invention. The record returned by the master is silent upon the first proposition and is not sufficiently explicit as to the second.

The complainants argue that they are within the rule enunciated in *Manufacturing Company v. Cowing*, (105 U. S., 253.) It is true that there are many points of similarity between the two cases, but, as the proof now stands, this authority can hardly be regarded as controlling. The Cowing case was an exceptional one. The patent covered a pump designed for a special purpose in a particular locality. There was no other pump which performed the same functions. The market value of the machine was due solely to the invention. To remove the patented features was like taking out the heart and lungs of a human being. The machine was dead. It became an inert mass of iron, utterly useless for drawing off the gas from the casing of an oil well. Vitality could be restored by replacing the parts thus removed, but in no other way. If similar facts exist in the case at bar they are not fully disclosed by the record. On the contrary, as one point of dissimilarity, it appears that other spoke-throating machines existed and were on the market prior to the patent and up to the time of the accounting. The complainants' combination is undoubtedly an improvement upon the old machines; it does the desired work faster and better; but those who use it should only be required to pay for those improvements which accomplish these results. The old machine could hardly have cost more than the patented machine and there must have been a handsome profit derived from its sale. If from the profit realized by the defendant the profit on the old machine were deducted, the result would furnish some guide for determining the value of the invention. (*Maier v. Brown*, 17 Fed. Rep., 736.) Surely the old machine cannot, without additional proof, be wholly ignored.

The exceptions should be sustained, but, as it seems quite

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likely that the complainants can make the necessary proof, the matter should be referred back to the master to restate the account, confining the recovery to the profits proved to be attributable to the improvements covered by the claims in question, unless the complainants produce satisfactory proof that the entire market value of the machine is due to the patented features.

The expenses of the new reference should be borne by the complainants.

Robert H. Parkinson, for the plaintiffs.

Charles H. Duell, for the defendant.

MARIE A. REAY, EXECUTRIX, &C.

vs.

THE BERLIN AND JONES ENVELOPE COMPANY. IN EQUITY.

A bill was filed on an original patent. The defendant answered that it had been surrendered and re-issued. The patent expired. Afterwards the bill was amended to cover the re-issue: *Held*, that the Court had jurisdiction of the cause, in equity.

(Before WHEELER, J., Southern District of New York, March 19th, 1887.)

WHEELER, J. An injunction against further infringement, and an account of profits and damages for past infringement, of the plaintiff's patent, was decreed on final hearing; and the jurisdiction of this Court, in equity, of the cause, was much considered in making that decree. (19 *Fed. Rep.*, 311; *Reay v. Raynor*, 22 *Blatchf. C. C. R.*, 13.) On application of the defendant, in consideration of special circumstances, needless to be stated, a re-argument of the ques-

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tion of jurisdiction in equity was granted, and a stay of proceedings on the accounting, meanwhile, entered. The re-argument has been had. The bill was brought on an original patent; the defendant answered that it had been surrendered and re-issued; the patent expired; and after that the bill was amended to cover the re-issue. This amendment appears to have been clearly within the power of the Court. The ground for relief was the exclusive right of the owner of the patent to practise the invention. This was the same under each patent. The statement of the patent was merely a statement of the title to the exclusive right. The change of the statement from that of the original to the re-issue was merely circumstantial. The case stated before the amendment was one for equitable cognizance; the amendment accomplished a more correct statement of the same case, within *Hardin v. Boyd*, now much relied upon by the defendant, (113 *U. S.*, 756,) and *The Tremolo Patent*, (23 *Wall.*, 518.) The case made was not only one in which equitable relief might be granted, but one in which it was granted, by issuing an injunction against the further use of machines made during the term of the patent, in violation of the rights secured by it. The propriety of this relief is not now under consideration, but only the jurisdiction in equity to decide upon it and deny or grant it. Such jurisdiction appears to be well sustained by *Clark v. Wooster*, (119 *U. S.*, 322.)

Stay vacated.

Arthur V. Briesen, for the plaintiff.

Joseph C. Clayton, for the defendant.

Spies v. The Chicago and Eastern Illinois Railroad Company.

ADAM W. SPIES

vs.

**THE CHICAGO AND EASTERN ILLINOIS RAILROAD COMPANY.
IN EQUITY.**

In a suit in equity brought by the holder of the income bonds of a railroad corporation, against it, to have the amount justly due for interest on the bonds ascertained and paid, but not to foreclose a mortgage given by the corporation to a trustee, to secure the bonds and interest, the trustee is not a necessary party to the suit.

(Before WHEELER, J., Southern District of New York, March 21st, 1887.)

WHEELER, J. The bill alleges, in substance, that the defendant issued bonds of \$1,000 each, to the amount of \$1,000,000, by each of which it promised to pay the bearer the principal sum of \$1,000 on the 1st day of December, 1907, and such interest on the 1st day of December annually, if any, as should be declared and fixed by the board of directors, not exceeding seven *per cent.*, in accordance with a deed of trust to a trustee, pledging and appropriating the net income and earnings of the road of the defendant, as security for the payment of the principal and interest; that the deed of trust provides that the directors shall, in the month of October, annually, ascertain, fix and declare what amount of net earnings of the preceding year is justly applicable to the payment of interest on these bonds, that, if they adjudge that a specific sum is available for that purpose, they shall enter a resolve, in the nature of a final award, declaring what sum is available out of that year's net earnings for that purpose, and the rate of interest payable on each bond, that the payment shall be advertised, that the defendant will promptly furnish the funds necessary to make the payment, and set apart so much of its net earnings as a specific trust fund for such payment, and that, if the defendant shall fail to deposit the full

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sum necessary to pay the interest in any year, the trustee shall have power, at his discretion, and upon the written request of the holders of a majority of the bonds, to demand, take and hold possession of the road and equipments, and receive the income and revenue therefrom, until the net amount shall be sufficient to pay all the then arrearages of interest; that the orator has been the owner and holder of such bonds to the amount of \$62,500 since September, 1st, 1883; that since then the defendant, its officers and directors, have conspired to fraudulently compel the orator and other holders of the bonds to surrender the same, and to fraudulently withhold net earnings properly payable thereon, and, for that purpose, have made false, fraudulent and fictitious ascertainment of the income, setting forth the particulars thereof, whereby the orator and other bondholders have been deprived of their share of the net income. The prayer of the bill is for the ascertainment and payment of the amount justly due for interest. The defendant has demurred to the bill. The only ground of demurrer urged or relied upon is, that the trustee is not in any manner made a party to the bill; and several cases, and particularly *Morgan v. Railway Co.*, (21 *Blatchf. C. C. R.*, 134,) and *Barry v. Railway Co.*, (22 *Fed. Rep.*, 631,) are cited. If the orator was seeking to reach income through the rights or powers of the trustee conferred by the deed of trust, there is no question but that the trustee would be a necessary party. But that is not the case. The orator is seeking only to compel the defendant to fulfil its agreement fairly and honestly, and not undertaking to reach any of the security provided by the deed of trust. The deed of trust is referred to for the specification of the amount of interest which the defendant agreed to pay, and is not sought to be enforced at all. The orator is not seeking to foreclose the mortgage or to execute the pledge, but is endeavoring to collect the debt secured. The amount of the debt is in dispute, according to the bill, and an account or ascertainment is necessary to determine the amount. The trustee could not bring this suit, and has no interest in it as trustee. The

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cases referred to are where the property securing the debts through a trustee was sought to be reached, and in that respect are distinguishable from this.

Demurrer overruled.

John W. Weed, for the plaintiff.

Austen G. Fox, for the defendant.

ISAAC F. MONTROSS vs. WILLIAM MABLE. IN EQUITY.

A copartnership firm made and sold stoves containing improvements covered by patents owned by A., a member of the firm, under circumstances implying a license to do so. The firm being dissolved, a receiver of its assets was appointed by a Court. He was proceeding to sell stoves made by the firm before its dissolution. A brought a suit in equity to enjoin the receiver from doing so: *Held*, that the injunction ought not to be granted.

(Before BROWN, J., Southern District of New York, March 22d, 1887.)

BROWN, J. In a suit brought in the State Court for winding up the copartnership of Montross & Lent, of which the complainant was a member, the defendant, in February last, was appointed receiver of the partnership effects. Among the assets that came into his hands are stoves of various patterns, manufactured in the ordinary course of the firm's business, under patents issued, during the continuance of the partnership, to the plaintiff individually, and also patterns, moulds and dies used in the manufacture. The copartnership, with some changes in its members, had existed for many years; and a large quantity of stoves under the complainant's patents had been manufactured and sold by the firm, in the ordinary course of its business, for the benefit of the firm; and its accounts had been at various times adjusted

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and settled between the copartners, including the manufacture and sale of similar stoves. The stoves that have come into the hands of the receiver were manufactured during the copartnership, and are those only which remained undisposed of at the dissolution of the firm. The plaintiff seeks to enjoin the defendant from selling these stoves, the dies, patterns, &c., upon the ground that the plaintiff is the sole owner of the patents under which the stoves were made; and that, whatever license might be implied in favor of the firm, or of the copartner Lent, to make and sell the stoves during the continuance of the firm, such license was a purely personal one; that the license to make and to sell are distinct substantive rights; that any implied license either to make or to sell was determined instantly upon the dissolution of the firm; and that the receiver, therefore, acquired no authority to sell, and cannot do so without infringement of the complainant's patent rights.

It is not disputed by the plaintiff that a license to the firm of Montross & Lent is to be legally inferred from the circumstances, to manufacture the patented articles and to sell such of them as were sold during the existence of the firm. The facts and the circumstances, including the conduct and acts of both parties during a long series of years, are such as to leave no question of a license to that extent. (See *Hapgood v. Hewitt*, 119 U. S., 226, 232; *Wade v. Metcalf*, 16 Fed. Rep., 130, 132; *American Tube Works v. Bridgewater Iron Co.*, 26 Fed. Rep., 334; *Herman v. Herman*, 29 Fed. Rep., 92.)

In *Adams v. Burke*, (17 Wall., 453, 456,) Mr. Justice Miller says: "The right to manufacture, the right to sell and the right to use are each substantive rights, and may be granted or conferred separately by the patentee. But in the essential nature of things, when the patentee, or the person having his rights, sells a machine or instrument whose sole value is in its use, he receives the consideration for its use, and he parts with the right to restrict that use." All the stoves manufactured by this firm were made for the purpose

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of *sale* and not for *use* by the firm. The same facts, therefore, that warrant and necessitate, in this case, the inference of a license to manufacture, necessarily include the right to sell, as well as to make; as that was the only purpose and interest of the firm in their manufacture. Following the language of Mr. Justice Miller, above quoted, the sole value of the license and of the stoves to the firm, in this case, was the right to sell them. The license implied here was undoubtedly a license to make and to sell.

I see no just reason for holding the license to sell, implied under such circumstances, to be ended at the moment of the dissolution of the firm. The language of the Circuit Judge in *Hapgood v. Hewitt*, (*supra*), and approved by the Supreme Court, that the right, being a mere personal one, was not transferable, and was extinguished with the dissolution of the corporation, must be interpreted in reference to the facts of that case, which had reference only to new goods, made by an independent corporation, after the dissolution of the former corporation.

The implied license that is inferred from the acts and dealings of the parties, is in the nature of an estoppel, to prevent what would otherwise be a gross injustice, if not fraud. Every reason that exists for inferring a license to sell before dissolution the stoves that were made by the firm for the purpose of sale, applies equally in favor of a license to sell, after dissolution, such stoves as then remained unsold, for the purpose of winding up the concern. As respects the right of the copartner Lent, I know of no principle of law that would make his right to sell after dissolution any less than before. A partnership, and the rights of partners, are not ended by dissolution. A dissolution, as Kent observes, (3 *Kent*, *63,) is, "in some respects, prospective only." While neither party can bind the other by new contracts, both have the same right as before to sell the partnership effects for the purposes of settlement and distribution. A dissolution, says Denio, Justice, in *Robbins v. Fuller*, (24 *N. Y.*, 570,) "though it annulled the powers of the respective

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partners for many purposes * * did not put an end to their authority to administer the assets in accordance with the rights and interests of the parties interested in them, and with the intention of the partnership enterprise. For this purpose the partnership is considered as continuing." "For that purpose," say the Court, in *Murray v. Mumford*, (6 *Cow.*, 441,) "the partnership may be said still to continue, with all the incidents belonging to that relation."

It is evident, therefore, that Lent, as one of the partners, had an equal right with the complainant to sell the stoves on hand after the dissolution as much as before. That right still exists in him, except in so far as it is abridged by the appointment of the defendant as receiver in the action pending between the parties in the State Court. The receiver in such a case is but the arm of the Court to carry out and perform what the Court adjudges ought to be performed as between the parties to the cause. So long as one of the parties has a legal right to sell the patented article, or to have it sold, for the firm's benefit, the Court, having jurisdiction of the parties and of the subject-matter, must have the power, through its receiver, to do what either of the parties has the right to have done. In substance and in effect the sale in such a case is through an agency and an authority invoked by a party who has a right to sell, and who asks the aid of the Court for that purpose. The general rule, that a mere naked license is not transferable, seems to me to have no application to such a case, because the receiver sells for the benefit of the licensees themselves, not for the use and benefit of others. These stoves, to the value of about \$16,000, are lawfully in the receiver's hands, to be sold for the benefit of the firm, who were licensed to sell them, and whose right to sell them, or to have them sold, exists still, notwithstanding the dissolution. If they cannot be sold by the receiver they cannot be sold by any one, since his authority, for the time being, stands in lieu of that of the parties themselves. It would be an opprobrium upon the law, and a gross incongruity, to hold that the Court could not effect, through its

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receiver, upon a disagreement of the parties, a sale that either of the parties is authorized to make; or that the complainant, from mere obstinacy or caprice, might legally insist that the firm property that he had licensed to be made and sold for the firm's benefit, should be broken up into old iron, instead of being devoted to the uses of the firm; and it would be a strange perversion of equity to sustain such a purpose by injunction.

Again, there is no reason for treating the implied license in this case as a mere personal privilege to be exercised *by the partners in person* alone. The extent of a license is such as the contract of the parties makes it. (*Lightner v. Boston & Albany R. R. Co.*, 1 *Low.*, 338; *Black v. Hubbard*, 3 *Ban. & Ard.*, 39.) If made to the licensee "and assigns," it is transferable without limit. The license may, indeed, be made expressly to an individual, to be used by himself alone, and not through agents or employes. The extent of the license is a question of construction; and, as in the case of other contracts express or implied, is to be determined in accordance with the intention of the parties. A license to a man engaged in business, to make and sell a patented article in his business generally, unless there were something else to restrict it, would manifestly be co-extensive with his business, and would continue till his business was wound up. The licensee in such a case is not restricted to manufacturing with his own hands, or selling by his own personal efforts only. He may employ as many hands, and as many salesmen and agents, as his business will admit. So long as the articles are made and are sold in his business, and for his use and benefit, the sale would be within the license, though effected by the hands of hundreds of different agents and employes.

The license necessarily implied from the circumstances in this case is a license to manufacture during the continuance of the firm, and to sell all the manufactured articles for the benefit of the firm until it is legally wound up, after dissolution, as much as before; and by any agency that may be legally invoked in order to wind up the business. The li-

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cense must be construed as so intended, because any other construction would be unreasonable and ruinous. A sale by a receiver of the stoves lawfully manufactured for the purposes of sale during the continuance of the partnership, is, by necessary implication, a part of the license to the firm to manufacture and sell; because the receivership is a lawful agency for the sale of the firm assets for the benefit of the firm, as much so as that of a salesman appointed by the parties themselves to effect the same object, either during the partnership or after its dissolution. Substantially the same question is presented upon the insolvency or death of one who had been licensed by the patentee to make and sell the patented article, as respects the right of the executor, administrator, or assignee in insolvency, as the case may be, to sell the goods remaining on hand at the time of the licensee's death, or insolvency. If the license was not to assigns, it is settled that no new goods could be made under the license by the assignee or personal representatives of the licensee, though the term of the license had not expired. (*Oliver v. Rumford Chemical Works*, 109 U. S., 75; *Curran v. Craig*, 22 Fed. Rep., 101.) But though this situation, as respects goods on hand, must have arisen often, no case has been cited, nor have I found any, in which it has been denied, or any doubt intimated, that the assignee or executor might lawfully sell the patented articles that had been lawfully made for sale under the license. This is no slight negative evidence of the practical interpretation, at least, of the intent of such a license. Were the rule of law otherwise, since death may happen at any moment, no one could venture to do business under such a license, except at the peril, in case of death, of the loss, it might be, of all his capital. If the license were in writing, a provision might doubtless be inserted providing for the winding up of the business by personal representatives, or an assignee, though no general transfer "to assigns" was intended. Such a special provision, however, would hardly be expected; and, in my judgment, it is not necessary, because fairly contained, by neces-

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sary implication, in the license to make and sell. As respects the construction of the extent of a license in particular cases, see *Belding v. Turner*, (8 *Blatchf. C. C. R.*, 321;) *Lightner v. Boston, &c., R. R. Co.*, (1 *Low.*, 338.)

A further ground for holding that the complainant's license extended to a sale after dissolution, is found in the articles of copartnership, which contain a provision that either partner, upon dissolution, may acquire the firm property upon an offer and acceptance of some sum to be named. This necessarily implies that any such stoves remaining on hand at the time of dissolution are a subject of sale to or by either partner alike; and hence it imports a license to Lent to acquire the property individually, for the purposes of general sale, and is, therefore, practically equivalent to a license to Lent, or his assigns. (*Wade v. Metcalf*, 16 *Fed. Rep.*, 130.) This part of the motion must, therefore, be denied.

As respects the patterns, &c., inasmuch as these would be of no use, or of trifling value, except for the further manufacture of stoves, the right to sell them with the right to manufacture stoves, would depend upon the equitable right of Mr. Lent to a partnership in the complainant's patents. But as I am not able at present to examine that branch of the motion, and there is urgent need for an immediate decision as respects the stoves, I decide only to relieve the defendant from the stipulation made by him in this cause on the 4th of March, 1887, so far as respects the stoves, and to continue the stipulation in full force and effect for 30 days from this date, as respects the other articles, except stoves; and that the motion as respects the patterns, &c., retain its place on the motion calendar, for further hearing.

E. N. Dickerson, for the plaintiff.

Clarence H. Frost and *George F. Betts*, for the defendant.

The J. L. Mott Iron Works v. Cassidy.

THE J. L. MOTT IRON WORKS

vs.

PATRICK CASSIDY AND OTHERS. IN EQUITY.

Letters patent No. 199,806, granted to John Demarest, January 29th, 1878, for an improvement in slop-safes for water-closets, are void, because they cover merely the making of cast iron an article before made of other substances.

(Before WHEELER, J., Southern District of New York, March 22d, 1887.)

WHEELER, J. This suit is brought upon letters patent No. 199,806, dated January 29th, 1878, granted to John Demarest, for an improvement in slop-safes for water-closets. Such slop-safes, of substantially the same form, and for the same purpose, had previous to this invention been made of lead, or of wood covered with lead, to such an extent as to have become a matter of common knowledge. A similar device called a drip-tray, made of porcelain or other earthenware, is described in letters patent No. 197,629, dated November 27th, 1877, and granted to Charles Harrison, for an improvement in drip-trays for water-closet bowls. The patent in suit describes a safe or safety plate, of cast iron, with an upward rim or flange at the sides and back, to prevent slops running over the edge, made dishing toward a central opening in the middle, with a downward flange around that opening. The claim is for the slop-safe for water-closets made of cast iron, having the downward flange and the upward flanges, as and for the purposes set forth. In the patent to Harrison, it is said: "The upper surface E^1 of the tray inclines from all sides toward the centre, and the interior portion, E^2 , which forms the boundary in the opening in the tray, conforms to the shape of the upper end of the bowl, and overlaps the flange B. The tray is provided, at its outer edges, with the vertical flanges E^3 . The inclining of the up-

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per surface from all sides gives the dishing form ; in the drawings, E² is a downward flange around the central opening ; and E³ are upward flanges at the back sides and front." Here are all the elements of the claims of the patent in suit, with the addition of the flange in front, which is immaterial. That would have nothing to do with the operation of the flanges at the back and sides. The real difference between the tray of that patent and the safe of this is, that that tray is made of porcelain or earthenware and this of cast iron. What Demarest really invented, beyond what was known before, was making these things of cast iron, a well known material, instead of making them of lead, or wood covered with lead, or of porcelain or other earthenware. It is shown and conceded that these cast iron trays are good articles, and have largely superseded the others, and gone into general use, since Demarest's invention. These facts show utility but do not of themselves show patentable novelty. There must be something amounting to invention, apart from mere usefulness, however great. (*Hollister v. Benedict Manufacturing Co.*, 113 U. S., 59 ; *Thompson v. Boisselier*, 114 U. S., 1.) The use of one old material in place of another, when the substituted material performs no new function, and is an improvement because it is more durable, does not appear to amount to patentable invention. (*Hotchkiss v. Greenwood*, 11 How., 248 ; *Hicks v. Kelsey*, 18 Wall., 670 ; *Gardner v. Herz*, 118 U. S., 180.) This is all that Demarest appears to have done. The patent is, therefore, apparently, void, for want of any patentable invention to found it upon.

Let a decree be entered dismissing the bill of complaint, with costs.

Francis Forbes, for the plaintiff.

Arthur V. Briesen, for the defendants.

Movius v. Lee.

EDWARD H. MOVIOUS, RECEIVER OF THE FIRST NATIONAL
BANK OF BUFFALO

vs.

REUBEN PORTER LEE AND OTHERS. IN EQUITY.

A receiver of a national bank has power to enforce against its directors individually claims for losses incurred through the non-performance, and the negligent performance, of their duties.

On the facts, it was held that one of the directors had ceased to be such at the time of the alleged losses.

As to others it was held that they had no knowledge of the transactions which resulted in the losses.

On dismissing the bill, costs were not allowed to certain of the directors.

(Before WHEELER, J., Northern District of New York, March 28d, 1887.)

WHEELER, J. The First National Bank of Buffalo was organized December 7th, 1863, under the provisions of the National Bank Act of February 25th, 1863, for which the National Bank Act of June 3d, 1864, was substituted, (13 *U. S. Stat. at Large*, 99,) with a capital stock of \$100,000, divided into 1,000 shares of \$100 each. At the annual meeting of its shareholders holden January 11th, 1881, Charles T. Coit, R. Porter Lee, Thomas W. Cushing, John H. Vought, and George Coit, were elected directors. They took the oath of office required by law, and chose Charles T. Coit, president, and R. Porter Lee, cashier. George Coit died, and May 20th, 1881, the rest of the directors filled the vacancy caused by his death by electing Francis E. Coit a director in his place, who took the required oath of office. Mr. Cushing sold his stock, by bargain made at the bank, to Charles T. Coit, the president, September 24th, 1881, at the price of \$125 per share, to be paid, and transfer to be made, afterwards. In consequence of this trade he then and there, so far as he could, by words, resigned his office of director to the presi-

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dent, and never afterwards assumed to be, or to act, as a director. The health of the president became poor, and, at a meeting of the four directors, including himself, remaining after the withdrawal of Cushing, he stated that fact, and that he desired to be relieved somewhat of his official duties, whereupon they voted that he be given leave of absence, for such intervals and at such times as he might see proper, for one year from that date, which was October 3d, 1881. They then chose the cashier, R. Porter Lee, vice-president, and Theodore W. McKnight, assistant-cashier. The bank then had an apparent surplus of \$50,000, and undivided profits to the amount of \$24,277,03, and it is not claimed in this suit but that these items were real. Mr. Charles T. Coit paid Cushing for his stock at the price agreed upon, October 7th, 1881, and took a transfer of the certificates, signed in blank, which was entered on the books of the bank in November, as made September 24th, 1881. Charles T. Coit sold most of his stock, 510 shares, to Lee, was absent from the bank on account of his health, and took no part in its management afterwards. He died December 11th, 1881. The control and management of the bank was left to Lee, who used its funds in the form of discounts to his associates in business, and speculations, until great losses were incurred. Prior to the annual election in 1882 he spoke of the vacancies in the board of directors to the defendant Spaulding, and also to the defendant Johnson, and proposed to transfer stock to them, and that each should become a director. Spaulding was president of another national bank, and connected with other corporations, and did not wish to assume new responsibilities, and so told Lee, but consented to the arrangement, and Johnson did likewise. At the meeting, January 10th, 1882, Spaulding, Johnson, Francis E. Coit, Vought and Lee were elected directors, who took the oath of office required by law. Lee was chosen president, and McKnight was elected cashier. The control and management of the bank were left to Lee as before. Vought sold his stock to Lee, January 19th, 1882, and did not act as director afterwards. Spaulding was

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engaged with his other business, the family of Johnson was sick and his son died, and neither of them did anything about the management of the bank. Coit went once and looked over the loans and discounts. Lee stood well in the community as a man of honor and integrity, as financier, and bank manager, and neither of them had any suspicion that the affairs of the bank were not being well and faithfully attended to by him. Lee sent a request to Spaulding, April 11th, 1882, for the return of the stock transferred to him, and Spaulding signed a transfer upon the back of the certificate, and returned it, in pursuance of an understanding between them that he would return it on request, and, as he supposed, ended his connection with the bank. The bank had become hopelessly insolvent and stopped business, April 13th, 1882, and was soon afterwards placed in the hands of a receiver. The whole capital, surplus, undivided profits and reserves were gone, and the individual liability of the directors would not pay the depositors. The losses incurred amount in all to more than \$600,000. This bill is brought to charge the directors who are living, and the estates of those who are dead, with the amount of these losses.

The bill alleges, in substance, that the defendant Spaulding sold and transferred his stock in the bank on the 11th day of April, 1882. The evidence shows that he signed the transfer of the stock in blank and delivered the certificate to the messenger from Lee, without any negotiation with Lee or any one at that time with reference to a sale of the stock. The plaintiff's counsel moved, on the hearing, to amend the bill, to have it allege that the transfer was formal merely, without consideration, and that there was not any sale or valid transfer in effect. It is argued in support of the amendment, that this would make the bill conform to the proofs merely, and that it should be allowed for that reason. The evidence shows, however, in addition to this, that Spaulding had not paid Lee anything for the stock, and that it was understood between them that Lee might have the stock back for some one else, if he should so desire, at any time. It appears, from

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the whole transaction, that, when Lee sent the messenger for the stock, it was in pursuance of that understanding, and that Spaulding acted upon the understanding in complying with the request. There was, therefore, an agreement for, and an actual re-sale of, the stock. The blank in the transfer was filled with the name of a third person to whom Lee had sold the stock ; but that was merely a method of carrying out the two sales, and required no negotiation between Spaulding and the other person, to make it effectual. The bill now, therefore, alleges the sale as it in fact was, and there is no occasion for the amendment. (*Johnston v. Laflin*, 103 U. S., 800.)

Some question has been made and discussion had with reference to the right of the plaintiff to enforce the liability of the defendants, if any exists, for the benefit of stockholders, creditors or depositors, as the results might, if realized, eventually enure to them respectively. It seems, however, that the receiver, as the name implies, has in his hands the rights of the bank itself against all and any persons, however the rights may have arisen, to enforce for the benefit of whoever may be entitled to the avails of them ; and these rights may be enforced by him in his own name, or in the name of the bank, whose corporate existence is continued for that purpose. (*Kennedy v. Gibson*, 8 Wall., 498 ; *Bank v. Kennedy*, 17 Wall., 19 ; *Case v. Terrell*, 11 Wall., 199.) If the bank had a claim or right in this respect, which it could enforce against the defendants, or any of them, the plaintiff has the same now, which he is entitled to enforce to the same extent, and none appears to have accrued to him which the bank, in its own right, did not have. The right rests entirely upon the alleged non-performance, or negligent performance, of duty, as directors, to the bank.

The defendants stand upon different grounds, in some respects, in their defences to this claim to charge them. The defendant Cushing sets up, in defence, among other things, that he was not a director at all and, therefore, owed no duty in that behalf at the time when the alleged losses took place.

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Whether he was or not depends upon the effect of what occurred about the sale of his stock and resignation. He bargained for its sale on the 24th of September, 1881, and orally resigned his office of director, so far as he so could, to the president of the bank, in his place of president, at the bank. This was prior to the time of any of the losses, as alleged. He delivered the stock certificate, with authority to transfer it, on the 7th of October following, and received his pay for it. This may be after some of the losses occurred. The transaction of September 24th may, therefore, be of importance. The statutes provide that every director must own in his own right at least ten shares of the capital stock of the association of which he is a director; and that any director who ceases to be the owner of ten shares of the stock shall thereby vacate his place. (*Rev. Stat. U. S.*, sec. 5,146.) The purpose of this statute obviously is to require the office of director to be kept in the hands of those who are personally and pecuniarily interested in the affairs of the bank. When Cushing bargained his stock he ceased to be so interested. Good faith to the other shareholders, as their interests were guarded by these provisions of the law, would seem to require that he should then cease to be a director. He appears to have taken this view, and to have done what he could to carry it out. There was no calamity impending, or contemplated by him, to be avoided by vacating his office, or which he could prevent by retaining it. There was no reason why he should not resign it if he could. He was an officer elected to his place; it was an office that he was not obliged to accept, and would seem to be one that he was not obliged to hold. (*United States v. Wright*, 1 *McLean*, 509; *The People v. Porter*, 6 *Cal.*, 26; *Olmsted v. Dennis*, 77 *N. Y.*, 378.) No mode of resignation was provided by law, and an oral one would be as good as any. (*Rex v. Mayor of Rippon*, 1 *Ld. Raym.*, 563.) The president was the head of the board of directors, who alone could fill the vacancy, and a resignation to him would be a resignation to the board. (*Port Jervis v. Bank*, 96 *N. Y.*, 550.) The statute provides that the directors shall be elected at meetings to be held on

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such day in January of each year as shall be specified in the articles of association ; and that they shall hold office for one year and until their successors are elected and have qualified. (Sec. 5,145.) It is urged that this section prohibits resignation during the year. This is not understood to be its effect. The apparent purpose of the provision in regard to the term of office is to make it conform to the time of the new election, and not to absolutely require every director to serve the full term. Such provision as to terms of office are common for this purpose. It is said, in argument, that, if he might resign he would not be relieved from duty until his place should be filled by the remainder of the board, and that, if they would not fill it without, it would be incumbent on him to compel them, by mandamus, or other appropriate proceeding, to fill it. But, until he had vacated the place there would be no vacancy which they could fill, and, when he had sold his stock, he would be out of the corporation and would have no interest or standing upon which to institute any proceedings whatever to affect the conduct of its affairs. The interests of the corporation would be left with the other directors elected by the stockholders, whose duty it would be, and on whom the stockholders had relied, to fill the vacancy, or act upon it as they should be advised. Upon these considerations, it appears that the defendant Cushing was not a director at the time of the alleged losses, and cannot be held for any duty as such at that time.

The liability of Charles T. Coit also stands upon different footing from that of any of the others. His health had failed and was failing him, so that he was, and was being, disabled for the performance of the duties of his office. He had owned more than half of the stock up to near that time, and, so far as appears, had been diligent and faithful in the performance of all his duties. Of his associates in the board Vought had been director since 1865, Lee since 1877, and Francis E. Coit then since the May previous, and for several years at a time previous, and all were in good repute. He could resign, or accept their leave of absence, which was tantamount to an

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undertaking and assurance on their part that they would perform the duties which might otherwise devolve upon him. They were a majority of the board, and, if they would, could control, whether he was present or absent. The oath of office required by law bound him, so far as the duty devolved on him, diligently and honestly to administer the affairs of the bank. (*Sec. 5,147.*) The duties which they could perform, and assumed to and did perform, would not appear to have devolved on him, so as to make him chargeable in any degree for the manner of their performance. He did nothing himself for which it is claimed that he became in any manner chargeable; and it does not appear that he was so responsible for what the others did that their misdoings could make him chargeable.

Neither Lee, nor the executrix of Vought, makes any defence to this suit, and the bill has been taken for confessed against them.

The positions of Francis E. Coit, Spaulding and Johnson, with reference to the bank, were so similar in most respects, that the questions as to the liability of each of them may be examined somewhat together. It is necessary for this purpose to look into the manner of the losses more closely.

The losses appear to have been begun by the discount of the paper of persons engaged with Lee in business and speculations, not adequately responsible for the amount of the discounts. The paper was usually endorsed by him, and sometimes secured to some extent by collaterals resulting from the avails of the discounts. Great losses from the transactions in which he was engaged fell upon him, and through him upon the bank. As the paper fell due it was renewed or replaced by other paper of like character, until a large part of the loans and discounts of the bank consisted in these notes of irresponsible persons, endorsed by him. All these discounts, renewals and substitutions were correctly entered, as in the usual course of business, upon the books of the bank, and appeared there fully, with the entries of its other current business. These discounts were in violation of the prohibition, in the

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banking law, of liabilities to the association in excess of one-tenth the amount of capital paid in, of any person, company, or firm, for money borrowed. (Sec. 5,200.) They did not, however, appear to be so, always or generally, for they might be, so far as they showed, commercial or business paper actually owned by the person negotiating them, within the provisions of the same law, allowed to be discounted. On January 18th, 1882, he took from the cash of the bank \$23,680, and put a slip of paper, with his name and the amount upon it, in place of the money, in the cash drawer; and on February 15th, \$16,737.50 in like manner, without giving any other evidence of his indebtedness for these amounts. The former amount was reduced by replacements of cash to \$12,405, and the latter to \$11,435. These transactions were not concealed from the cashier or employes in financial matters of the bank, but did not appear on the books of the bank, except that they were shown on the cash blotter of the teller. These were clear violations of the provisions of the banking law mentioned. As Lee was the president and at the head of the bank, and was supposed by the cashier and subordinates to be a man of integrity and wealth, and these things were done by him and by his direction, they excited no suspicion among these persons, that loss to the bank would be occasioned thereby, until the very last days of the business of the bank, after all these losses had been incurred. As the suspicions of these persons were not aroused, they said nothing to any of the directors about what was going on, and they had no knowledge, supposition or suspicion but that the business of the bank was proceeding lawfully, regularly and prosperously. In the banking law it is further provided, that, if the directors of any bank shall knowingly violate, or knowingly permit any of the officers, agents or servants of it to violate, any of the provisions of that law, every director who participated in, or assented to, such violation, shall be liable for all damages sustained in consequence of such violation. (Sec. 5,239.) It is not claimed that any of these three directors so knowingly permitted or assented to any of these violations of

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this law as to become liable at all under this provision. As there was no misconduct, default or irregularity on the part of the cashier, or of the clerks or agents of the bank, in any respect, that occasioned these losses, and what was done that did occasion them was done by Lee and by his express direction, the question is, whether these directors, by their conduct, became liable to the bank for what their associate director Lee did. By the bank Act of 1864, it was enacted, that these associations should be bodies corporate, and, by the names designated in their organization certificates, should have succession for twenty years, unless sooner dissolved, that by such names they might make contracts, sue and be sued, and elect or appoint directors, and by their boards of directors appoint officers, and exercise under that Act all such incidental powers as should be necessary to carry on the business of banking, by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt, by receiving deposits, by buying and selling exchange, coin and bullion, by loaning money on personal security, and by obtaining, issuing and circulating notes according to the provisions of that Act. (13 *U. S. Stat. at Large*, 101, sec. 8.) Some Courts were of the opinion that this specification of the means by which the powers granted might be exercised was a limitation of the general expression preceding it. (*Wiley v. Bank*, 47 *Vt.*, 546; *First Nat. Bank v. Ocean Nat. Bank*, 60 *N. Y.*, 278; *Weckler v. Bank*, 42 *Md.*, 581; *Whitney v. Bank*, 50 *Vt.*, 388.) Others construed this section as if it had stopped with the general words. (*National Bank v. Graham*, 79 *Pa. St.*, 106; *Pattison v. Syracuse National Bank*, 80 *N. Y.*, 82.) The business of banking, in either view, was, as that section then stood, to be carried on by the board of directors. In the Revised Statutes, as enacted in 1874, this part of that section was brought into the seventh subdivision of section 5,136, and so added to as to authorize a national bank to exercise by its board of directors, or duly authorized officers or agents, subject to law, the powers mentioned. After this alteration in the law, the business of the banks could be law -

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fully done by the president, cashier, or other officer, as well as by the directors themselves. It was not necessary that the directors, or a majority of them, or any of them, should take part in individual transactions in the authorized business.

It is said, in some books, and in argument, that the directors are trustees of the funds and property of the bank. This may be true in some sense and under some circumstances, but the relations of the directors to, and their duties toward, the assets of the bank cannot be determined properly upon names merely. The bank, being a body corporate under the law, is a person, although artificial, with legal identity, and capable of owning and holding its own property; and its property, in the hands of those by whom it acts, is held by itself for itself, and not by any person for it. Therefore, the directors are not, and from the nature of things cannot be, chargeable for the assets of the bank as for property to which they have taken title or possession for some use or purpose, for the carrying out of which they may be charged and held. They have no ownership in or title to the assets, and cannot act otherwise than as the officers and agents of the bank about them, unless they actually misappropriate them, and thereby become wrong-doers about the assets themselves. They cannot be held to account for any assets they have not themselves had. These directors are not, and are not claimed to be, chargeable in this view. As the statute provides what directors shall be liable, and how, for violations of the statutes, other directors cannot be made liable for those things without in effect adding to the statute. Directors may, doubtless, be liable for many things which are not express violations of the statute. (*Brinkerhoff v. Bostwick*, 88 *N. Y.*, 52, and 99 *N. Y.*, 185.) This would probably be the case with respect to any gross mismanagement in the actual transaction of the bank's business, or the handling of its property. These directors are not sought to be charged in this view. The complaint against them is not that they acted negligently or carelessly in actually doing anything, but that

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they neglected to do anything. What they did not do, the omission to do which caused damage, was the restraint of Lee in what he did. So the real question is, whether they are chargeable for the consequences of what he did because they did not prevent it. He was a director elected by the stockholders, and of equal rank and authority with them. He derived authority from the stockholders and not from them, and acted upon that authority. The president has no greater authority, as such, about the matters complained of than any other director. They had no reason to suppose that he would not act honestly and fairly within the law, any more than the stockholders had who had repeatedly elected him to the office of director, or than the depositors had who trusted the bank while visibly under his management. He was apparently more interested in the success of the bank during the time of these losses than any one else, for he held more than a majority of all the stock. The question is not as to the liability of the bank for the negligence of its agents, but is as to the liability of some agents to the bank for not controlling others. The bank itself would not be liable to others for the frauds or thefts of its cashier or other officer, unless his untrustworthiness was known and his employment continued, notwithstanding notice of that fact. (*Foster v. Essex Bank*, 17 Mass., 479; *Prather v. Kean*, 29 Fed. Rep., 498.) The obligation of the corporation would be measured by the duty of its officers, and the liability of one officer for the misdoing of another would not appear to be any greater than that of the corporation for acts of the same nature. Generally, one officer is not liable for the misconduct of another not appointed by him. (*Whitfield v. Le Despencer*, Cowp., 754; *Nicholson v. Mounsey*, 15 East, 384; *Dunlop v. Munroe*, 7 Cranch, 242.) Directors of banks and other corporations appear to stand on the same footing as other officers in this respect. The body of directors of a national bank is charged with the supervision and management of its affairs, and is bound to use as much diligence and care as the proper performance of

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these duties requires. (*Morawetz on Corp.*, sec. 243; *Thompson on Liability of Officers*, 356.) But this obligation does not appear to require every director to attend himself to every part of the corporate business, nor make each liable for every act done by any of them. They do not undertake each for the others. In *Cargill v. Bower*, (10 *Ch. Div.*, 502,) it was held that directors were not liable for the frauds of their co-directors unless they participated in the frauds, or wholly abstained from inquiry, in order that they might be committed. Fry, J., said: "I think that there was great negligence, but that it was merely negligence and undue trust in Feigan, and that there was not any intention to allow him to commit fraud; and, therefore, I cannot hold them responsible for his acts." Feigan was a director. In *Perry's Case*, (34 *Law Times*, 716,) Perry had consented to be a director at the request of Duncan, on the understanding that his qualification in paid-up shares would be found for him, and was appointed August 5th, 1871, attended a meeting January 25th, 1872, and resigned in May, 1872. Duncan misapplied funds in February, 1872, for which Perry, with others, was sought to be charged. As to this, Bacon, Vice-Chancellor, said: "I think that no case is made against Mr. Perry. Mr. Bradford's argument is that, inasmuch as he accepted paid-up shares in order to qualify him as a director, he is to be treated as the paid agent of Mr. Duncan to do whatever Mr. Duncan desired him to do. It is very easy to say that, but I see no kind of foundation for it." "It is said that Mr. Duncan misconducted himself in various ways and that Mr. Perry is liable for all the consequences of that because he was Duncan's paid agent. It would be monstrous to entertain any such proposition. He became a director and is liable for all that he did as a director, but he was not bound to attend every meeting of the directors. It is not part of the duty of a director to take part in every transaction which is conducted at a board meeting. His business or his pleasure may call him elsewhere, and it would be a most unheard of thing to say that if anything wrong was done at a board meeting,

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he being named among the directors but not present, he is liable for what is done in his absence." In *Joint Stock Discount Co. v. Brown*, (*Law Rep.*, 8 *Eq.*, 380, 401,) in speaking of the liability of directors for acts of others in which they took no part or measures to prevent, James, Vice-Chancellor, said: "Now, with regard to Mr. Gillespie, I have held that there was no sufficient evidence of his concurrence or connivance to make him responsible. I have, however, thought it not right to give him his costs, although I dismiss him from the suit, because I think a man who is a director, and goes on as a director for months, when a transaction of this kind is going on, is not justified in saying, 'I really did not pay the slightest attention to it; I had a sort of vague notion of what was going on; I was a paid director, but I left it to the other directors to attend to; I did nothing; I took it for granted it was all right.' I think he is entitled to this, that I cannot fix him with a liability; but I think it is not too much of a penalty for him to pay for his negligence, that he shall not have any costs of the proceedings which have been rendered necessary in this Court by proceedings of his co-directors which he took no pains to inquire into or interfere with." In *Weir v. Bell*, (3 *Exch. Div.*, 238, 250,) in speaking of the liability of Bell as a director, Lord Ch. J. Cockburn said: "In the result Bell has been guilty of no fraud; he is not a principal deriving a benefit from a fraud committed by his agent in procuring that benefit; nor, indeed, has he derived any benefit from the fraud committed by the sub-agents whom he was authorized to employ on behalf of the company. Upon this state of facts I think the plaintiff fails to establish the liability of the defendant Bell." The same views pervade other English cases. (*Turquand v. Marshall*, *Law Rep.*, 4 *Ch.*, 376; *Land Credit Co. v. Lord Fermoy*, *Law Rep.*, 8 *Eq.*, 7.) In *Charitable Corporation v. Sutton*, (2 *Atk.*, 400,) much relied upon for the plaintiff in this case, only the committee-men, who formed what was called a confederacy or conspiracy, were held chargeable. That a director is not liable for the faults or frauds of a co-director appears to be well

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recognized in New York. (*Wakeman v. Dalley*, 51 *N. Y.*, 27; *Arthur v. Griswold*, 55 *N. Y.*, 400.) In *Hun v. Cary*, (82 *N. Y.*, 65,) where the trustees of a savings bank who participated in a misappropriation of the funds resulting in loss were held liable for the loss, Smith, a trustee, who took no part in the transactions, does not appear to have been held. And in *Hand v. Burrows*, (Supreme Court of New York, First Department, June, 1881,) it was held, Barrett, J., that the directors of a national bank who knowingly participated in retaining an untrustworthy cashier were liable for his subsequent defalcations, and that one who did not know of the untrustworthiness was not liable; which case does not appear to have gone any further. There is no case which has been cited or observed, in which it has been decided that a director of a corporation was liable to make good a loss occasioned by the fraud or misconduct of a co-director, in which he had no part, and which was perpetrated without his connivance or knowledge. (*Robinson v. Smith*, 3 *Paige*, 222; *Brinkerhoff v. Bostwick*, 88 *N. Y.*, 52, and 99 *N. Y.*, 185; *Ackerman v. Halsey*, 37 *N. J. Eq.*, 356, and 38 *Id.*, 501; *Hodges v. New England Screw Co.*, 1 *R. I.*, 312, and 3 *Id.*, 9.) The measure of the duty of directors is frequently and emphatically laid down, and is clear and plain, but it is nowhere adjudged that all must always act, or that they must not trust one another to act, or that any are liable for the mere omission to watch and restrain the others, without wrong intention on their own part, or actual knowledge of the wrong on the part of the others. Neither are there cases where persons standing in similar relations to the property of others have been held liable for the acts of others standing in the same relation, without some fraud or connivance on their own part. The general rule as to trustees is, that they are responsible only for their own acts, and not for the acts of each other, unless by express agreement, "or they have, by their own voluntary co-operation or connivance, enabled one or more to accomplish some known object in violation of the trust." (*Story's Equity*, § 1,280.) In *Perry on Trusts* the law is stated to the same

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effect. (§ 417.) The law is the same as to executors and administrators. (*Bac. Abr., Executors, D.*; *Brazer v. Clark*, 5 *Pick.*, 96; *Peter v. Beverly*, 10 *Pet.*, 532.) In the latter case Mr. Justice Thompson said: "For it is a well settled rule, that one executor is not responsible for the *devastavit* of his co-executor, any further than he is shown to have been knowing and assenting at the time to such *devastavit* or misapplication of the assets; and merely permitting his co-executor to possess the assets, without going further, and concurring in the application of them, does not render him answerable for the receipts of his co-executor. Each executor is liable only for his own acts, and what he receives and applies, unless he joins in the direction and misapplication of the assets. (*Cro. Eliz.*, 348; 4 *Ves.*, 596; 4 *Johns. Ch.*, 23; 19 *Johns.*, 427.)" And a bailee of goods without reward is only liable because they actually come to his hands and he is guilty of some wrong in respect to them while there. (*Coggs v. Bernard*, 2 *Ld. Raym.*, 909.)

After the careful and thorough presentation of this case in all its aspects by counsel on all hands, and much and repeated consideration of the facts and principles involved, no just ground of liability on the part of these directors is perceived. Not on the express provisions of the statute on the subject, for they do not, and are not claimed to, come within that; not by the common law, for by that each is liable only for his own miscarriages, and none are shown.

These conclusions make it unnecessary to consider whether this cause of action, if made out, would survive against the personal representatives of Francis E. Coit, or those of Charles T. Coit. The bill must, upon the conclusions reached, be dismissed as to them, and as to the defendants Cushing, Spaulding and Johnson. The expressions of Vice-Chancellor James, as to costs, in *Joint Stock Discount Co. v. Brown*, (*supra*), seem reasonable, and applicable to the directors Francis E. Coit, Johnson and Spaulding; and no costs were allowed in *Hand v. Burrows*, (*supra*), to the director not held to be liable. Those cases are followed, and no costs

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are allowed to the defendants Johnson and Spaulding and the representative of Francis E. Coit. There is nothing sufficient to take the cases of Cushing and Charles F. Coit out of the usual rule as to costs. No question has been made as to completion of the decrees already made against Lee and the executrix of Vought.

Let a decree be entered dismissing the bill of complaint as to the defendants Spaulding, Johnson, and Caroline E. Coit, executrix, without costs; and as to the defendant Cushing, and the defendants Frank S. Coit and Joseph C. Barnes, administrators, with costs.

Ansley Wilcox, for the plaintiff.

E. C. Sprague, for the defendant Spaulding.

Benj. H. Williams, for the defendant Johnson.

David F. Day, for the defendant Cushing.

Humphrey & Lockwood, for the defendants Coit and Barnes, Administrators.

CHARLES H. TUGMAN

vs.

THE NATIONAL STEAMSHIP COMPANY.

The Supreme Court of the United States reversed the judgment of a State Court in favor of the plaintiff, on the ground that that Court had no jurisdiction of the suit, because it had been removed to this Circuit Court of the United States. The mandate directed the State Court to proceed no further in the cause, and awarded \$108.84, as costs of the Supreme Court, against the plaintiff. The State Court, on the mandate, reversed its judg-

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ment, and awarded against the plaintiff \$1,206.80, as costs and allowance. The defendant moved, in this Court, for a stay until that amount should be paid: *Held*, that the motion must be denied, except as to the \$108.84.

(Before BENEDICT, J., Eastern District of New York, March 24th, 1887.)

BENEDICT, J. This is an application by the defendant for a stay of further proceedings in this cause until the plaintiff shall pay the defendant certain costs. These costs accrued under the following circumstances. The action was originally commenced in the Supreme Court of this State, in the year 1875. The defendant being entitled so to do, duly presented to the State Court a petition and bond, as required by law, to remove the cause to this Court. Notwithstanding which, the State Court proceeded with the cause, and, after a hearing on the merits, gave the plaintiff a judgment against the defendant, for the sum of \$4,324.13. This judgment the Court of Appeals of the State upheld. But a writ of error having been issued in the Supreme Court of the United States, that Court reversed the action of the State Court, and held all the proceedings in the State Court, subsequent to the filing of the petition and removal bond, to be void, upon the ground that the jurisdiction of the State Court absolutely ceased, and the jurisdiction of this Court immediately attached, on the filing of the petition and bond. (106 *U. S.*, 118.)

The Supreme Court also ordered that the plaintiff in error recover against the defendant in error \$108.84, for its costs in that Court, and have execution therefor; and ordered that the cause be remanded to the Supreme Court of the State, with instructions to accept the bond tendered by the plaintiff in error for the removal of the cause, and proceed no further in the case. A mandate to that effect was thereupon issued to the Supreme Court, upon the receipt of which the Supreme Court accepted the bond and proceeded to reverse the judgment which had been entered by the Supreme Court in favor of the plaintiff, "with costs to the defendant to be taxed," and ordered that judgment be en-

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tered accordingly. Thereafter the said Court, upon motion of the defendant, awarded the defendant, in addition to the taxable costs, an extra allowance of \$500, and, on November 8th, 1884, entered up its judgment in favor of the defendant, against the plaintiff, for the taxable costs and extra allowance, amounting in all to the sum of \$1,206.30. These costs not having been paid, and the plaintiff, being insolvent, now seeking to proceed with the cause in this Court, the defendant applies to have further proceedings in this Court stayed until the plaintiff pay the costs for which judgment was entered against him by the Supreme Court of the State, in November, 1884.

I do not think it is so clear as the defendant supposes that a distinction can be drawn between this case and the case of *Penrose v. Penrose*, decided by this Court, and reported in 1 *Fed. Rep.*, 479. The defendant contends for a distinction, because, as he asserts, in this case the State Court, in awarding costs and an extra allowance, was acting under a mandate issued by the Supreme Court of the United States. But the difficulty is that the mandate contains no direction to the State Court to award costs. On the contrary, the mandate directs that Court to accept the removal bond, and "proceed no further in the cause." If it be, that when a State Court, within its jurisdiction, reverses its judgment upon the mandate of the Supreme Court of the United States, it may, when reversing its judgment, in compliance with a direction of the Supreme Court, give costs to the plaintiff in error, it does not follow that the State Court can award costs to the plaintiff in error without a mandate to that effect, when, as held by the Supreme Court in this case, every order in the State Court subsequent to the filing of the removal petition and bond is *coram non judice*. As it seems to me, at least the mandate of the Supreme Court to that effect was necessary to enable the State Court to give costs to the plaintiff in error in this case; and, indeed, such is the view taken by the defendant in argument, for the authority conferred by the mandate of the Supreme Court is

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greatly relied on. But the mandate says, "accept the bond, and proceed no further."

In *Clerke v. Harwood*, (3 *Dall.*, 342,) relied on by the defendant, the Supreme Court itself allowed the costs in the State Court. That was not done by the Supreme Court in this case. *McKnight v. Craig's Admr.*, (6 *Cranch*, 183,) is not an authority here, for here the Supreme Court did not direct the Court below to enter judgment for the plaintiff in error, but only to proceed no further in the cause. The language in *Riddle v. Mandeville*, (6 *Cranch*, 86,) where it is said, "the Court below is always competent to award costs in a chancery suit in that Court," is not authority for holding here that the State Court is competent to award costs in a suit not in that Court. But, whatever may be the conclusion as to the effect of the action taken by the State Court, after the receipt of the mandate of the Supreme Court, there is another ground upon which as it seems to me this motion should be denied.

The order here asked for is within the discretion of the Court. Courts, in the exercise of a sound discretion, and for the purpose of mitigating the effect of vexatious proceedings, when costs incurred in former proceedings have not been paid, and are not collectible, will stay further proceedings until such costs be paid. But the proceedings in this case cannot be held to have been vexatious in any aspect. As to the demand itself, the State Court, supposing it to have jurisdiction, gave judgment for the plaintiff; and as to the continuing of proceedings in the State Court, after receipt of the removal papers, not only the Supreme Court of the State, but also the Court of Appeals, held that the plaintiff was right in continuing his proceedings there. In such a case, where, merely because of the inability of the plaintiff, it appears that a stay of proceedings will in fact prevent absolutely and without right of appeal the enforcement of a claim held by the Courts of the State to be justly due, the Court cannot, I think, in the exercise of a proper discretion, grant a stay. The costs of the Supreme Court of the United

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States, which the Supreme Court did award, are different; and these the plaintiff has offered to pay. On such payment being made, an order will be made denying the stay asked for by the defendant.

James R. Carmichael, for the plaintiff.

John Chetwood, for the defendant.

THE CENTRAL NATIONAL BANK OF BOSTON

vs.

ROWLAND N. HAZARD AND OTHERS. IN EQUITY.

Where the decree for the sale of a railroad, on foreclosure, provided that the sale should be "subject to the payment of the undue principal and interest" of certain receiver's certificates, the purchaser on the sale cannot, on a bill filed by the holder of the certificates to enforce the lien therefor, insist that the lien exists only to the extent of the amount originally paid to the receiver for the certificates.

(Before WALLACE, J., Northern District of New York, March 24th, 1887.)

WALLACE, J. The complainant is the owner of receiver's certificates for \$250,000, part of an issue amounting in all to \$350,000, created under authority of an order of the Supreme Court of the State of New York. That order was made in an action pending in that Court, brought by one Sackett, for himself and other bondholders of the Lebanon Springs Railroad Company, to adjudge such bondholders the equitable owners of the franchises and property of that company, and to obtain a decree for the sale of the same for their benefit. During the pendency of that action, a receiver of the railroad company was appointed, and, April 2d, 1881, an order was made by the Court, whereby the receiver was authorized

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and directed to issue certificates of indebtedness for five hundred dollars each, payable in five years, with interest at 6 per cent., with interest coupons attached, payable on the first days of January and July in each year, in the aggregate amount of \$350,000. The order directed that the receiver negotiate such certificates and apply the proceeds to the repair and the managing and operating of the railroad. By the terms of the order the certificates were declared to be a first lien on the railroad and all the property of every kind in the possession of the receiver, and it was provided that, in case of any sale under any decree of the Court, the certificates should be first paid from the moneys realized thereupon; and that, in case the railroad property and franchises, on any sale thereof, should not bring sufficient to pay the principal and interest due on the certificates, then the purchaser should assume, as a first lien thereon, so much of the principal as at the time should remain outstanding and unpaid, with interest thereon. By the final decree of the Court in that action, the relief sought by the plaintiff therein was substantially granted, and the property and franchises of the railroad company were adjudged to be sold at public sale, for the benefit of the bondholders. By that decree the receiver's certificates issued under the order before referred to were recited as amounting, in the aggregate, to \$350,000, and were declared to be a first lien upon the property and franchises, to the amount of principal and interest unpaid thereon, as provided by the order by which they were originally authorized. The decree directed that the referee to whom it was referred to make such sale sell the property and franchises of the railroad company, "subject to the payment of the undue principal and interest of the before mentioned receiver's certificates."

The present bill is filed by the complainant, for himself and all others similarly situated, to have the unpaid principal and interest of such certificates adjudged to be a lien upon the property sold under that decree, and to enforce the lien by a sale of the property. The defendants were the purchasers at the sale, or have acquired title under such pur-

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chasers. The deed executed by the referee to the purchasers at the sale, bearing date October 23d, 1885, recites that the conveyance is subject to the payment of the undue principal and interest on the certificates.

The defendants do not contest the validity of the certificates, but they claim that the receiver negotiated them collusively with one Crane, so that there was derived from them, for the benefit of the trust fund, a sum considerably less than ought to have been realized; and they insist that, as these certificates are not negotiable paper, the holders can enforce them only for the amount paid for them by the person to whom they were originally transferred by the receiver.

The defendants are not in a position to litigate such a defence. Receiver's certificates are not commercial paper, and the holder takes them subject to all equities between the original parties, even though he acquires them for value and without notice; and, when they are negotiated at a discount which the receiver is not authorized to allow, a *bona fide* holder will only be protected to the amount actually advanced by the first purchaser. (*Stanton v. Alabama R. Co.*, 2 Woods, 506; *Union Trust Co. v. Chicago, &c., R. Co.*, 7 Fed. Rep., 513; *Bank of Montreal v. Chicago R. Co.*, 48 Iowa, 518; *Turner v. Peoria R. Co.*, 95 U. S., 134.) But the defendants have no interest in the trust fund represented by the certificates; and it is wholly immaterial to them whether the certificates were or were not negotiated upon fair terms and for the best interests of the fund. The purchasers at the sale under the decree, and every person claiming under such purchasers, are estopped from contesting the validity of the certificates, or questioning the amount for which the certificates were declared to be a lien upon the property purchased. The decree adjudicated the certificates to be a lien, to the extent of the principal and interest unpaid, upon the entire issue of \$350,000. The defendants are privies to that judgment, and are concluded by it equally with the original parties to the suit. Every person is a privy to a judgment whose succession to the rights of property

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thereby affected occurred subsequently to the commencement of the suit. Every grantee is estopped by the judgment against his grantor, because he holds by a derivative title from such grantor. (*Freeman on Judgments*, sec. 162; *Adams v. Barnes*, 17 *Mass.*, 365; *Campbell v. Hall*, 16 *N. Y.*, 575, 579.) In *Swann v. Wright's Executor*, (110 *U. S.*, 590,) a decree in a mortgage foreclosure provided that the sale of the mortgaged property should be made subject to the payment of all receiver's certificates which had been established as valid by prior decrees in the suit or by that decree, and it was held that the purchaser at the sale could not contest the lien of certificates the validity of which had been established by an interlocutory decree, even upon the ground of concealment and fraud subsequently discovered, by which, as was alleged, the decree had been obtained.

Irrespective of the estoppel by the decree, the defendants cannot be heard to assert that the certificates are not a lien for the whole principal and interest due upon them. They are estopped because the deed executed by the referee, which is the source of the title of the defendants, conveyed the property "subject to the payment of the undue principal and interest" on the certificates. (*Horton v. Davis*, 26 *N. Y.*, 495; *Freeman v. Auld*, 44 *N. Y.*, 50; *Parkinson v. Sherman*, 74 *N. Y.*, 88; *Grissler v. Powers*, 81 *N. Y.*, 57.)

Although the certificates are a lien to the extent of the principal and interest unpaid upon them at the time of the decree, it is open to the defendants to establish that this is less than the face of the obligations. But the contention that, within the meaning of the decree, the amount of the lien is the sum for which the certificates could be enforced by the holders against the trust fund, upon an application to the Court made in the suit before the decree, is not tenable. The meaning of the decree is plain. The decree directed the referee to pay out of the proceeds of the sale all the interest on the receiver's certificates which would accrue up to the time of the sale, and the provision that the sale should be subject to the payment by the purchasers of the

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“undue principal and interest” on the certificates, was intended to denote that interest falling due between the date of the decree and the time of the sale should be paid out of the proceeds, while the interest which would fall due after the sale should remain a lien against the property, as well as the principal. The unpaid principal and interest, or, as it is expressed in the decree, the “undue principal and interest,” is what was unpaid, according to the tenor of the obligations, at the time of the sale under the decree. There is no merit in the point taken by the defendants, that the complainant has not established the authenticity of its certificates as those which were issued by the receiver. The authentication of the trustee is not the only evidence that the obligations in suit belong to the authorized issue, although it may be the best evidence. Their genuineness is shown by other evidence; and, as they were put in evidence without any objection that their authenticity could not be proved by secondary evidence, that objection cannot now be urged.

A decree is ordered for the complainant, for the relief prayed in the bill.

Hale & Bulkley, for the plaintiff.

Robert L. Fowler, for the defendants.

ANNIE G. STUBBS, EXECUTRIX, &C. vs. SAMUEL C. COLT.

A promissory note was made in Georgia, by G., a resident and citizen of Georgia, to the order of C., a resident and citizen of Connecticut, who endorsed it in Connecticut, for the accommodation of G., and sent it to G. in Georgia, who had it discounted there by L., who transferred it to S., who sued C. upon his endorsement, in Connecticut. The complaint did not allege that C. was notified of any demand on the note, of its protest for non-payment, or of its non-payment. On demurrer to the complaint: *Held*,

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- (1.) By the law of Georgia, notice of the non-payment of the note need not have been given to C. ;
(2.) The endorsement was to be governed by the law of Georgia.

(Before SHIPMAN, J., Connecticut, March 26th, 1887.)

SHIPMAN, J. This is an action at law by the endorsee and holder of a negotiable promissory note against the endorser. The defendant has demurred to the complaint. The complaint alleged that S. P. Goodwin, on the day of October, 1883, being then a resident of Savannah, Georgia, and a citizen of said State, made his promissory note for the sum of \$3,000, payable on demand, after date, to the order of the defendant, at the office of the Citizens' Loan Company, Savannah, Georgia, for value received; that said S. P. Goodwin, on the day of October, 1883, sent said note by mail to the defendant, then a resident of the town of Farmington, in the State of Connecticut, and a citizen of said State, who received the same in due course of mail, on the 18th of October, 1883; that the defendant, at said Farmington, on said 18th day of October, 1883, endorsed said note and sent the same by mail to the said S. P. Goodwin, at said Savannah, who received said note in due course of mail; that said note was so endorsed by the defendant for the accommodation, use and benefit of the said S. P. Goodwin; that the said S. P. Goodwin, after receiving said note so endorsed, thereupon, for value received, transferred and delivered the same to the said Citizens' Loan Company, at Savannah, Georgia, and received the proceeds thereof; that said Citizens' Loan Company remained the owner of said note until the 19th day of January, 1884, when the said Company, for value received, transferred and delivered the same to the plaintiff, who still owns said note; and that payment of said note has been demanded, but it remains unpaid. The defendant demurred, 1. because said complaint contains no allegation that the defendant was notified of any demand upon said note, of its protest for non-payment, or of its non-payment, or that the holders looked to him, the defendant, for payment; 2. be-

cause it contains no allegation of any demand of the maker of the note, or of a demand of anybody connected with it, in the time required by law. Two questions arise upon this demurrer: 1. Did the law of Georgia, at the time of the endorsement of the note in suit, require notice to the endorser of the demand of payment and of the non-payment of said note at its maturity, and that the holder looked to the endorser for payment. 2. If the law of Georgia did not require such notice, is the contract of endorsement to be governed, under the facts stated in the complaint, by the law of Connecticut, which requires such notice to the endorser, or by the law of Georgia?

The first section of the Act of Georgia of December 26th, 1826, (*Laws of 1826*, p. 38,) provided as follows: "From and after the passage of this Act, that the practice heretofore required of making a demand of the makers of promissory notes and other instruments, for the payment and performance of the same, and their giving notice of such demand within a reasonable time to the endorsers of said promissory notes and other instruments, shall cease and become entirely unnecessary to bind said endorsers, and that when any person whatever endorses a promissory note or other instrument, he shall be held, taken and considered as security to the same, and be in all respects bound as security, until said promissory note or other instrument is paid off and discharged, and shall be liable to be sued in the same manner and in the same action with the principal or maker of said promissory notes or other instruments; any law, practice or usage to the contrary notwithstanding. *Provided always*, that nothing herein contained shall extend to any promissory notes which shall be given for the purpose of negotiation, or intended to be negotiated at any chartered bank, or which may be deposited in any chartered bank for collection. *And provided*, also, that nothing contained in this Act shall be construed as to prevent the endorsee from defining his liability in the endorsement."

The language of this section was changed in the Code of

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Georgia of 1862, (§ 2731,) which provided, that when bills of exchange and promissory notes are made for the purpose of negotiation, or intended to be negotiated at any chartered bank, and the same are not paid at maturity, notice of the non-payment thereof, and of the protest of the same for non-payment, or non-acceptance, must be given to the endorsers therein within a reasonable time * * * * or the endorsers will not be held liable thereon; but in no other case, and upon no other bills or notes, shall notice or protest be held necessary to charge the endorser."

This provision was modified by section 4 of the Act approved February 28th, 1876, (*Laws of 1876, p. 18,*) as follows: "It shall not be necessary to protest as now required by law in order to bind endorsers, except in the following cases, to wit: 1st, when a paper is made payable on its face at a bank or banker's office; 2d, when it is discounted at a bank or banker's office; 3d, when it is left at a bank or banker's office for collection, and in all such cases days of grace shall be allowed."

Without undertaking to decide what effect the provisions of the law of 1876 in regard to protest had upon previous legislation upon that subject, it seems to be clear that notice of the non-payment of a promissory note need not be given to the endorser unless the note is made for the purpose of negotiation, or is intended to be negotiated, at a chartered bank. This state of the law of Georgia is expressed, with considerable blindness, in the Code of 1882, which, however, it is said, has never been enacted by the Legislature of the State.

The remaining question is, whether the endorsement of the defendant is to be governed by the law of Connecticut or of Georgia. The note was accommodation paper, made to the order of the defendant, sent to him by mail, endorsed by him in Connecticut, and returned by mail to the maker in Georgia, and by him delivered to the Company which discounted it. It is agreed that an endorsement constitutes a new contract, which is to be governed by the law of the place

where it is made, though the note was made or is to be paid elsewhere. The question is confined to the case of accommodation paper, having been endorsed for the purpose of its being discounted, and the paper so endorsed having been delivered to the maker in another State, for the purpose of negotiation, and negotiated by him, in that State, and is—In which State was the endorsement made, the State where the name was written, or the State where the note was negotiated?

The theory of the law on the subject of the place of the endorsement of accommodation paper is given in *Tilden v. Blair*, (21 Wall., 241;) *Lawrence v. Bassett*, (5 Allen, 140;) *Cook v. Litchfield*, (5 Selden, 279;) *Young v. Harris*, (14 B. Monroe, 556;) and *Mott v. Wright*, (4 Bissell, 53;) and is to the effect, that the accommodation endorsement does not become operative until the paper is negotiated. So long as the note remained in Colt's or in Goodwin's hands, the liability of the endorser did not arise, but commenced when the note was negotiated to a *bona fide* holder. The note was sent to Georgia for the purpose of negotiation, and Goodwin, the maker, was thus constituted the agent of Colt, "to initiate a liability not only of himself, but also of the defendant." (*Tilden v. Blair*, *supra*.) The place where the liability upon the endorsement commenced is the place where the endorsement was made.

This statement of the law is given in various modes of expression in the decisions which have been cited; the turning point is the fact that the accommodation paper only becomes a valid promise to pay money, and binding upon the endorser, when it is delivered to the person who gives a valuable consideration for it, and that, consequently, the place where the endorsement becomes effective is the place where, legally speaking, it was made. The Court, in *Tilden v. Blair*, regards the person to whom the paper is sent for negotiation, as, by that act, the agent of the endorser to give the note life and create the liability.

The law is thus stated in 1 *Daniel on Negotiable Instru-*

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ments, sec. 868: "Where a note is endorsed for accommodation in one State, and delivered in another, the endorsement is governed by the laws of the latter, for the accommodation endorser makes that party to whom he lends his signature, his agent for putting the instrument into circulation, and his own contract with those to whom it is negotiated must consequently be judged on the principles of agency, which refer it to the place where the circulation commences."

The demurrer is overruled, with liberty to plead anew.

John S. Beach, for the plaintiff.

Henry C. Robinson, for the defendant.

THE CELLULOID MANUFACTURING COMPANY

vs.

THE ZYLONITE NOVELTY COMPANY. IN EQUITY.

In view of the state of the art, it was no patentable invention to fold down the edge of a celluloid collar and cuff and form a hem by cementing the folded part down.

(Before WALLACE, J., Southern District of New York, March 28th, 1887.)

WALLACE, J. The claim of the patent in suit is "a collar or cuff made of celluloid or other pyroxyline material, from a single thickness of material, having the edge turned over on to itself to form a hem, substantially as specified." The specification, as illustrated by the drawings, denotes that the collar or cuff is made from a sheet of the material, which has

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been cut into a suitable blank, and the hem is formed by turning the edges over on the back and cementing them down. The specification contains no instructions as to the method of turning down the hem, and cementing it, nor does it give any description of the cement to be used.

Collars and cuffs made of celluloid, but not having their edges turned down and cemented so as to form a hem, were old at the time the alleged invention of the patent was made. It was also old to turn down the edges of sheets of celluloid. There was no novelty in cementing such material to itself; and cements for doing this were well known. It was not new to form a hem at the edge of a sheet of material like cotton, linen, leather, india rubber, paper, tin, sheet iron, etc., by turning it over at the edge and cementing it down, and different kinds of cement were in use for that purpose. It was common to employ a hem in such materials to strengthen articles at the edge, and to make a smooth turned-over edge, as distinguished from a raw edge, as in linen collars and cuffs and in leather pocket books and portfolios.

This being the prior state of the art, it seems almost preposterous to claim that it was invention to fold down the edge of a celluloid collar or cuff and form a hem by cementing the folded part down. Undoubtedly, a hem to collars and cuffs of this material was an improvement, not only as giving the article a more attractive appearance, but also as adding strength at the edge and substituting a finished edge in the place of a cut edge. The result accomplished was similar in these respects to that produced by a hem upon linen collars or cuffs. But with celluloid collars and cuffs it was important to produce an article of sufficient flexibility to be comfortable and yet of sufficient rigidity and strength not to break at the edges. This was effected by making the hem. But everything done by the patentee was old except to adopt a hem for celluloid articles such as had been used upon articles made of other material, to produce a result similar in kind—that of imparting rigidity and smoothness of finish to the material at the edge. The adaptability of the

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hem for the use desired is so obvious that it would be suggested spontaneously to any skilled mechanic.

The bill is dismissed.

Frederic H. Betts and *J. E. Hindon Hyde*, for the plaintiff.

Benjamin F. Thurston and *Horace M. Ruggles*, for the defendant.

THE CELLULOID MANUFACTURING COMPANY AND OTHERS

vs.

THE AMERICAN ZYLONITE COMPANY AND OTHERS. IN EQUITY.

The claim of letters patent No. 200,937, granted to R. H. Sanborn, C. O. Kanouse and A. A. Sanborn, March 5th, 1878, for an improved fabric for collars and cuffs, namely, "A fabric for collars and cuffs, or other similar articles, having outer sheets or layers of celluloid and an interlining of textile or fibrous material, substantially as and for the purpose specified," is infringed where one defendant makes a fabric of two sheets of cloth, with a paper interlining; and another defendant places a sheet of zylonite on one side of the fabric; and the first defendant then turns the edge so that there is a surface of zylonite on both sides at all the edges of the collar except at the neck-band, the edges being made secure with paste, the body of the back of the collar having no zylonite surface; and a third defendant sells the collars. All of the defendants, with a common purpose, and by concerted action, infringe the patent.

(Before SHIPMAN, J., Southern District of New York, March 30th, 1887.)

SHIPMAN, J. This is a motion for an injunction, *pendente lite*, against the alleged infringement by the defendants of letters patent No. 200,937, dated March 5th, 1878, to R. H. Sanborn, C. O. Kanouse and A. A. Sanborn, for an improved fabric for collars and cuffs. The validity of the patent was

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sustained, in this Circuit, in the case of *Celluloid Mfg. Co. v. Chrolithion Collar & Cuff Co.* The nature of the invention is fully described in the opinion of the Court. (23 *Blatchf. U. C. R.*, 205.) The single claim of the patent is as follows: "A fabric for collars and cuffs or other similar articles, having outer sheets or layers of celluloid and an interlining of textile or fibrous material, substantially as and for the purpose specified."

The infringing fabric is made as follows: A fabric, consisting of two sheets of cloth or muslin, with a paper interlining, is made by the Taylor & Tapley Manufacturing Company, named in the bill as a defendant, but not served with process. The American Zylonite Company places a thin sheet of zylonite upon one side of this fabric and returns the compound sheet to the Taylor & Tapley Company. After the cloth edge of this sheet has been shaven off, the zylonite face is turned back upon itself, so that there is a surface of zylonite upon both sides at all the edges of the collar except at the neck-band. These edges are fastened and made secure with paste. The parts of the collar which demand strength, neatness and a finish, and which are most liable to become soiled, have a double sheet of zylonite which encloses an interlining of textile material. The body of the back of the collar has no zylonite surface. The collar cannot be immersed in water; it can be cleaned by the application of a wet sponge and water, and, it is said, can be used for months. The collars are sold by the third defendant, the Standard Collar Company.

The important question in the case is that of infringement. It is insisted by the plaintiffs that the difference between the facts in this case and those in the Chrolithion case is one of details and not of substance. The counsel and the expert for the defendants insist, with great confidence, and with a conviction of the validity and completeness of their defence, that there is no infringement. It is said that the fabric, as it leaves the Zylonite Company and comes to the collar maker, is not the patented fabric, which is true, because it contains the cel-

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luloid layer upon one side only; that the collar maker simply turns over one edge and thereby makes a collar in the customary method; that there can be no infringement in turning the hem of an unpatented material; that making a hem is a very old device of the seamstress, and no one can infringe a patent by making a hem; and that the Taylor & Tapley Company do not make a fabric, but make collars from an unpatented fabric. These are different and ingenious and attractive methods of stating the same defence, which is, that the fabric, as it comes from the hands of the collar manufacturer, is unpatented, and that its unpatented character is not changed by the subsequent and well known method of its manipulation into the shape of a collar. The defendants' argument hinges upon the last clause, the important question being whether the unpatented fabric has been changed into a patented one, and not whether a change has been effected by a familiar method.

The patent was not for a new collar, but for a new material from which to make a collar, and consisted, in brief, of double and outer sheets of celluloid and an interlining of textile or fibrous material. A fabric which contains celluloid upon one side only is not the patented article, but if, by an intended change of form, it becomes a fabric having a double and outer sheet of celluloid with an interlining of textile material, why has it not become the patented article? If it has become the patented fabric for collars, it matters not whether the change was effected before or after it came into the hands of the collar maker, or whether the second and outer sheet can be called a hem.

Is, then, the defendants' fabric made of double and outer sheets of celluloid? It is not made of two separate sheets which enclose an interlining and then are pressed together, but it is made by doubling over a single sheet of celluloid, and thus enclosing the interlining, and then pasting the edges together, whereby a compound sheet is made. This difference cannot be a vital difference, unless the terms of the claim require that there shall be originally more than one

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sheet. The claim defines the fabric to be one which has outer sheets or layers of celluloid. By the words "sheets or layers," I do not understand that the patentees limited themselves to sheets originally detached, but if the compound sheet had outer layers of celluloid, it was sufficient.

The object of the invention was to make, by the means of celluloid, a fabric for a permanent collar, which could easily be kept clean, without the intervention of the laundress. The patentees accomplished this object by double and outer sheets of celluloid and an interlining of textile material. The Standard Collar Company receives from the manufacturers and sells collars which contain so much of the new fabric as is needed to make a collar; so much as is unnecessary has not been used. It uses and sells a double and outer sheet of celluloid, and an interlining of textile material, wherever the strength and the beauty of the collars most demand such use, and it omits a double sheet where the omission adds to the convenience of the wearer. It has a double sheet where such a sheet is indispensable, and, thereby, has taken the kernel of the invention to its own use, and has become, to the extent to which it employs the improvement, an infringer.

The defendants also make the point that the character or the kind of sheets of celluloid is not sufficiently disclosed by the patent. As there was but one kind of celluloid sheets which could, at the date of the patent, be used for the purpose, and the mechanic had no need of definite instruction, because the "cut" sheets were obviously the only ones which were, at the time, available, the objection seems to be theoretical rather than real.

It is apparent that the American Zylonite Company made the compound sheet for the Taylor & Tapley Company with knowledge of the method in which it was to be used by that company in the manufacture of collars. The affidavit of Mr. Kipper, the president of the company, does not deny this. It was engaged with the other defendants in a common purpose to avoid the patent, and, in connection with them, it actually, by their concerted action, infringed the patent.

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The motion is granted, as against the defendants who have been served with process.

Frederic H. Betts, for the plaintiffs.

Wetmore & Jenner, for the Standard Collar Co.

Horace M. Ruggles, for the American Zylonite Co.

IN RE WILLIAM W. GILBERT, A UNITED STATES COMMISSIONER.

In this case, a United States Commissioner was acquitted of all charges affecting his integrity, but the Court announced that it should thereafter regard it as sufficient cause for removing a Commissioner if he abetted or encouraged the prosecution of violations of the internal revenue laws, set in motion by "professional witnesses."

(Before WALLACE and COXE, JJ., Northern District of New York, April 1st, 1887.)

AN examiner of the Department of Justice, in October, 1886, made a report charging William W. Gilbert, a Commissioner of the Court, residing at Rochester, N. Y., with irregular and illegal conduct. This report, with the accompanying affidavits, was transmitted by the Attorney-General to the Court, for such action as was deemed advisable. The Court thereupon made an order, based upon these papers, requiring the Commissioner to show cause, at the January term, why he should not be removed from office. A partial hearing was then had, and an adjournment was taken to enable the respondent to produce further evidence, and to give the United States Attorney, who acted by request of the Court, an oppor-

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tunity to make a more extended examination of the charges contained in the report. The matter came on for final hearing at the March term, 1887.

W. F. Cogswell, for the respondent.

D. N. Lockwood, (*District Attorney*), opposed.

Per Curiam. We have examined the report of the examiner, with accompanying affidavits, and the answer and other documents submitted by the respondent, and have reached the conclusion, that all charges of conspiracy and of illegal and dishonest conduct on the part of the respondent are unsupported by the proof. The United States Attorney frankly stated, in open Court, that, in his opinion, the respondent had kept within the strict letter of the law, and that, after a careful investigation, he could produce no proof connecting the respondent with any immoral or corrupt practices.

The Attorney-General, in a communication to the respondent, exculpates him from the charge of conspiring with others to manufacture business for the purpose of extorting money from the Government. Unquestionably the record discloses some cases of hardship—prosecutions for frivolous offences, which should never have been commenced; but the number, considering the amount of business transacted, is not large, and the suggestion that the respondent was instrumental in procuring the complaints to be made, with a knowledge of the inadequacy of the proof, is founded entirely upon conjecture.

The respondent is a respectable citizen of Rochester, where he has resided since he left the army, at the close of the war of the rebellion, and the reputation which he has built up, through years of patient and painstaking endeavor, ought not to be assailed upon mere suspicion. We are pleased to say that we do not find any charge affecting his integrity sustained by the proof. The most serious criticism made against

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the administration of his office is, in our judgment, that he received the evidence of witnesses who spent a large portion of their time in ferreting out trivial and technical infractions of the revenue laws, for the sole purpose of obtaining the fees of witnesses. In the great majority of revenue cases presented to the respondent these "professional witnesses" appear. That they embarked in the business solely for the money they could make is not denied, and their names appear with painful regularity upon the roll of witnesses. It is true that this practice is not at all confined to Rochester. It is true that the revenue laws cannot be enforced if none but the most respectable members of society can be called to the witness stand. It is true that if the prosecution of offenders becomes lax the Government will lose in revenue many times the amount now expended in fees. All this is true, and yet we are of the opinion that the practice of tolerating the cooperation of this class of informers in the manner stated is demoralizing, and tends to bring the administration of justice in the Federal Courts into disrepute. If it is necessary to employ spies and informers to bring offenders to justice it should be done by administrative officers.

There is, unquestionably, room for difference of opinion upon this subject, and we accept the statement of the respondent that he thought it his duty to act upon all cases which he considered meritorious, no matter by whom presented or how supported. But, entertaining the views we do upon this subject, we deem it proper to say, that hereafter we shall regard it as a sufficient cause for removal, if a Commissioner abets or encourages the prosecution of violations of the internal revenue laws set in motion by "professional witnesses." If the officers of the revenue, or the law officers of the Government, do not deem the cases of sufficient consequence to institute and follow up prosecutions, Commissioners, who are judicial officers, and whose only duty it is to hear cases when they are presented, should not directly or indirectly instigate or countenance others in bringing criminal proceedings. Much less should they permit such cases to be brought by a

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class of men who act merely from mercenary motives and cannot be expected to exercise judgment or good sense in discriminating between real and technical violations of the law.

The order to show cause is discharged.

FREDERICK BLUME

vs.

FREDERICK E. SPEAR AND WILLIAM R. DEHNHOFF. IN
EQUITY.

In a suit in equity for the infringement of a copyright for a musical composition, the plaintiff testified that he deposited in the mail two copies of the work, and received an acknowledgment of the receipt of them by the full title of the work, dated two days after its entry, over the official signature of the Librarian of Congress: *Held*, that it was sufficiently shown that the copies were addressed to the Librarian.

The statute held to have been complied with in regard to inserting the required statement of copyright on some visible portion of the composition or of the substance on which it was mounted.

Novelty was not successfully attacked and infringement was proved.

(Before WHEELER, J., Southern District of New York, April 2d, 1887.)

WHEELER, J. This suit is brought upon copyright No. 13,875, entered on November 27th, 1878, by the orator, assignee of Fannie Beane, of a musical composition entitled, "My Own Sweet Darling, Colleen Dhas Machree," against infringement by the publication and sale of a song, with music, entitled, "Call Me Back Again." The defences are, in substance, that Miss Fannie Beane, now Mrs. Fannie Beane Gilday, was not the author of this musical composition; that there is no proof that the orator delivered two copies of the composition at the office of the Librarian of

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Congress, or deposited them in the mail, addressed to him, within ten days after publication, as required by *sec. 4,959 Rev. Stat. U. S.*; that the orator abandoned the composition to the public by publishing it under a different title from that by which it was copyrighted; and that the music of "Call Me Back Again" does not infringe upon the copyright.

The defendant has put in evidence a prior composition entitled, "Sweet Spirit, Hear My Prayer," to show that some parts of the music copyrighted were taken from that. There does not appear to be sufficient similarity between these two, however, to warrant this conclusion. There are some short parts of them which appear to be alike, but these parts are not continuous enough, nor sufficiently extended, to indicate with any degree of certainty that the author of the latter was guided or aided by the former. Her account of its composition is criticised because of her youth at the time when she says the music was formed in her mind. It clearly appears, however, that, when she was old enough to do so intelligently, she had it written out, and no one else appears to have produced it before; therefore, she appears clearly enough to be the author of it, even if she had not carried it in her mind so long as she now seems to think she had.

The orator has put in evidence an acknowledgment of the receipt of two copies of the publication by its title, "My Own Sweet Darling, Colleen Dhas Machree" in full, dated November 29th, 1878, over the official signature of the Librarian. In *Merrell v. Tice*, (104 *U. S.*, 557,) it was held that a memorandum of the deposit of two copies, with the date, on a certified copy of the record of the copyright, above the official signature of the Librarian, was not evidence of the fact of such deposit; but whether the certificate of that fact above, and authenticated by, the official seal and signature of the Librarian, would be such evidence, appears to be left open. In this case, the orator has testified that he deposited two copies in the mail, and got that receipt, in answer, but without testifying how the copies were addressed. It is

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taken, from the connection between the deposit and the receipt of the acknowledgment, that the copies were addressed to the Librarian. Therefore, it is not necessary in this case to decide the question so left open by the Supreme Court in that case. There was an edition in which the whole title was not on the outside cover, but only, "Colleen Dhas Machree;" and it is argued that perhaps the two copies sent were of that edition. The receipt, however, is for two copies with the full title, and that, in connection with the testimony, shows that two complete copies were sent.

The claim of abandonment or loss of the copyright is made in connection with this edition, alleged to be defective. This edition has a front cover on which there is an engraving covering most of the outside page. At the bottom of that page there is a list of seven songs, including this, as "Colleen Dhas Machree," over the orator's name and place of business, as an advertisement of those publications, and there is no notice of, or reference to, any copyright on that page. The inside of that cover is entirely blank. On the next page the song and music commence. Above the music is the title, "My Own Sweet Darling, Colleen Dhas Machree;" below the music is the notice, "Copyright, 1878, by Frederick Blume." By section 1 of the Act of June 18th, 1874, (18 *U. S. Stat. at Large*, 78,) it is enacted: "that no person shall maintain an action for the infringement of his copyright unless he shall give notice thereof by inserting in the several copies of every edition published, on the title page or the page immediately following, if it be a book; or if a map, chart, musical composition, print, cut, engraving, photograph, painting, drawing, chromo, statue, statuary, or model or design intended to be perfected and completed as a work of the fine arts, by inscribing upon some visible portion thereof, or of the substance on which the same shall be mounted, the following words, viz.: 'Entered according to Act of Congress in the year — by A. B., in the office of the Librarian of Congress at Washington;' or, at his option the word, 'Copyright,' together with the year the copyright was entered, and the name of

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the party by whom it was taken out; thus—‘Copyright, 18—, by A. B.’” This is different from *Rev. Stat., sec. 4,962*, in respect to the place where the notice is to be put, as well as in respect to what it may be, on maps, charts, musical compositions and other things except books. By that section it was to be inscribed on “some portion of the face or front thereof, or on the face of the substance on which the same” should be mounted. By the latter Act, it is to be inscribed “upon some visible portion thereof or of the substance on which the same shall be mounted.” The notice of copyright on the edition in question was on the first page of the composition, in plain sight, and was, therefore, upon some visible portion thereof, or of the substance upon which it was mounted, within the meaning of this section of the Act of 1874. If the paper on which the composition is printed is not a portion of the composition, it is the substance on which it is mounted. There was no loss or abandonment of the copyright by failure to give notice of it. If, however, the orator published the composition under a title different from that by which he copyrighted it, in substance, he would thereby probably so depart from his copyright that he would leave the composition to the public. (*Drone on Copyrights*, 140, 142.) But in that edition the composition was published under its full title, by which, exactly, it was copyrighted, standing at the head of it, on the first page of it. The advertisement on the cover did not indicate that the pieces advertised were printed within. It merely signified that they were published, in some shape, by the orator. It was not necessary, in advertising it, that he should describe it in any particular manner; but when he came to printing the thing itself, and giving that out, it was necessary that he should follow the title by which he copyrighted it, if he would keep that right. This he did and the right would seem to be well preserved to him.

Upon the question of infringement there is not much room for doubt. The theme or melody of the music is substantially the same in the copyrighted and the alleged in-

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fringing pieces; the measure of the former is followed in the latter, and is somewhat peculiar. When played by a competent musician they appear to be really the same. There are variations, but they are so placed as to indicate rather that the former was taken deliberately than that the latter was a new piece.

Let there be a decree making the preliminary injunction permanent, and for an account of profits, with costs.

Charles N. Judson, for the plaintiff.

William Stone, for the defendant.

CHESTER W. WITTERS, RECEIVER OF THE FIRST NATIONAL
BANK OF ST. ALBANS

vs.

ALBERT SOWLES, EDWARD A. SOWLES, OSCAR A. BURTON
AND BENNET C. HALL. IN EQUITY.

In a suit in equity by the receiver of a national bank against four of its directors, to charge them with losses in consequence of bad loans and discounts, including some to two of them, and with the amounts of dividends taken from its assets, it was held, as to some loans, that they were made in good faith, and the directors were not chargeable; two of them were held liable for loss on a loan to another of them, made in direct violation of the statute; and none of them were held liable for the dividends, the case being, as to those who participated in making them, one merely of misjudgment as to the value of the assets.

(Before WHEELER, J., Vermont, April 6th, 1887.)

WHEELER, J. This bank was organized and continued in existence, with a capital stock of \$100,000, under the laws of the United States relating to national banks. It failed and stopped doing business April 8th, 1884, and was soon after

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placed in the hands of a receiver. The defendants, except Hall, Edward A. Sowles being president, and Albert Sowles cashier, were directors, with George W. Foster, now deceased, after February 11th, 1880, and with H. H. Bowman until 1882, when he died, and with Hall since January 11th, 1883. At the time of the failure there were among the assets of the bank large amounts of paper, in various forms, taken for loans and discounts to one Marshall; large amounts taken for loans and discounts to Albert Sowles, for his own use, and for others for whom he was surety and endorser; and to the amount of \$30,000, for loans to Edward A. Sowles. The loans and discounts to Marshall, to the amount of \$35,308.75, and all of the others, were made after February 11th, 1880; and all were almost wholly uncollectible and valueless when the failure came. No dividends were declared in 1880, or in the first six months of 1881, and the bank had, July 4th, 1881, surplus and surplus funds to the amount of \$64,000, or thereabouts. A dividend of six per cent. was declared on that day, another of the same amount November 1st, another, December 6th, one of five per cent. July 4th, 1882, one of ten per cent. December 5th, 1882, one of three per cent. May 1st, 1883, and one of five per cent. November 6th, 1883, all of which were paid. Some of these dividends were declared when there were not sufficient assets, in view of subsequent events, to warrant making them. This bill is brought to charge the defendants, as directors, with the losses to the bank in consequence of these bad loans and discounts, and with the amounts of these dividends taken from its assets.

The directors all resided at St. Albans, where the bank was located, except Burton, who resided at Burlington. The business of the bank was managed principally by the cashier, who was of large experience, able and competent, and of good reputation, and, until near the time of the failure, of considerable wealth. All the loans and discounts were approved of and made by him, and he voted for and concurred in all the dividends. The increase of the debt of Marshall appears to have been accomplished by bills of exchange drawn against

existing values, and by the discount of business paper owned by him, to such an extent as not to be in violation of any express law. Those who took part in it on behalf of the bank appear to have acted, in view of the liabilities he was already under to the bank, and of the condition of his business as then understood by them, in good faith, and as they thought would be for the best interests of the bank. They had no interest with him, nor any apparent object to accomplish by increasing his accommodations, aside from taking the wisest course for the interests of the bank. As these loans and discounts have resulted, they were unwise and hazardous, looked back upon, but they are to be considered as they could be looked forward to, and not from the present standpoint. In this view there is no just ground upon which any of the directors can be properly charged for that debt. (*Scott v. De Peyster*, 1 *Edw. Ch.*, 513; *Spering's Appeal*, 71 *Pa. St.*, 11; *Thompson's Liability of Officers*, 233.)

The loans to Albert Sowles, and some of those for which he became liable as surety or endorser, appear to have been in violation of the provisions of section 5,200, *Rev. Stat. U. S.*, by which liabilities of any person to a national bank for money borrowed in excess of one-tenth of the capital stock are prohibited. None of the directors who are living and are defendants is shown to have knowingly participated in or assented to any of the loans or discounts constituting the debts against him, or those for which he is liable as surety or endorser.

The liability of Edward A. Sowles originated in a direct loan to him soon after February 11th, 1880, of \$36,000. This loan was in excess of one-tenth of the capital stock, and in direct violation of the provisions of section 5,200. All those who were then directors, which includes all the defendants except Hall, knew of and assented to this loan. This is not disputed. Section 5,239 provides, that if the directors of any national bank shall knowingly violate, or permit any officer, agent or servant to violate, any of the provisions of that title, which includes section 5,200, the rights, privileges and

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franchises of the bank shall be forfeited; and that, in cases of such violation, every director, who participated in or assented to the same, shall be held liable, in his personal and individual capacity, for all damages sustained in consequence of such violation. By force of these provisions, the defendants Albert Sowles and Burton, by their participation in and assent to this loan, became liable to the bank, as now represented by the orator, for all damages in consequence of it. The loan was made to Edward A. Sowles; he procured it in his own behalf, and became liable as debtor for it; he would not appear to be liable as participating in or assenting to it on behalf of the bank. (*United States v. Britton*, 108 U. S., 193.)

This bill is not brought to charge the defendants for money received by them as stockholders from dividends, but for losses to the bank itself for unlawfully or wrongfully declaring dividends. By section 5,204, dividends to a greater amount than net profits, after deducting losses and bad debts, are prohibited; and debts on which interest is past due and unpaid for six months, unless well secured and in process of collection, are defined to be bad debts. The assets of this bank did not so consist of bad debts within this definition, at the time when they were made, as to make the dividends improper. There were debts which were in fact bad in the result, to an extent so great as to wipe out the profits from which dividends could be made when the later ones were declared. The defendant Burton is not shown to have participated in making the dividends. Those who did misjudged as to the value of the assets. The evidence does not warrant the conclusion that they took this method of dividing the assets of the bank among themselves when they knew that dividends could not properly be made. It is not considered, therefore, that the defendants are liable for the amount of the dividends because they were unlawfully or wrongfully declared. Whether those who received the dividends are chargeable for the amount received, on the ground that the money from which they were paid was needed to pay

the liabilities of the bank, is a question not presented in this case. (*Spering's Appeal*, before cited; *Thompson on Liability*, 351; *United States v. Britton*, 108 U. S., 199.)

It is strongly urged that the defendants are liable at common law for inattention to duty as directors, although not liable under the express provisions of the statutes mentioned. This ground of liability is not applicable to the Marshall debt, for the circumstances of the increase of that debt are such that those who participated in it are not found to be liable. *A fortiori* those who did not participate are not liable for that. If there is any liability in this behalf it must arise upon the manner of the loans to Albert Sowles and those for which he became liable, and for some smaller loans to Edward A. Sowles, and to some others, for which he became liable. There were some of these latter for which the defendant Burton became liable as surety or endorser, and from which he has become discharged in the course of the receivership. He was and always has since been amply good for these liabilities, and none of the directors incurred any liability for negligence in trusting to his solvency. This question is narrowed down to whether the defendants Burton and Edward A. Sowles and Hall are liable for the loans on which Albert Sowles is liable, and which were made to him, because they did not prevent these loans.

The question as to the liability of directors of national banks for mere inattention was much considered in *Movius v. Lee*, (*ante*, p. 291,) lately decided. It was there held, that directors were not liable for the acts of their associates in which they had no part, and of which they had no knowledge, and toward which they did not connive in any manner. Upon these principles these defendants are not liable on account of the loans to Albert Sowles, or of those for which he became liable, because they did not participate in them, nor assent to or connive at the making of them, so far as has been made to appear.

There remains the liability of the defendants Albert Sowles and Burton for the loan to Edward A. Sowles. If

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there were liabilities of these defendants, alone, or with other defendants, for other loans, or for dividends, it would be somewhat anomalous to include them in a decree with this liability, which is entirely distinct, although of the same nature. It is not necessary to consider whether the liability of directors, under such circumstances, is for the whole debt or only for the excess; for this loan, which was \$36,000, in the first place, was reduced to \$26,000, the exact amount of the excess, December 5th, 1882. It then stood in the form of drafts of Edward A. Sowles, one of \$5,000, on H. B. Weeks, due January 8th, one of \$5,000, on B. C. Hall, due January 11th, one of \$5,000, on H. B. Weeks, due February 8th, one of \$5,000, on B. C. Hall, due February 11th, and one of \$6,000, on H. E. Lewis, due January 15th, 1883. These appear to have remained of the identical loan for which the money was passed over to him, with the full knowledge and assent of Albert Sowles and Burton, and of the other two directors now deceased. This debt was not, according to the evidence, further reduced, but was wholly lost. The damages resulting to the bank, in consequence of this loan, are equal to the amount of the sums due on these drafts, with interest from the times when they respectively fell due. This interest to April 6th, 1887, amounts to \$6,559.33; and the whole amount of the loss or damage resulting from this loan is \$32,559.33. This money was borrowed by Edward A. Sowles to pay for stock of the bank with, for the purpose of securing harmony among the officers and stockholders, and it is said, in evidence, that the transaction was reported to the comptroller of the currency and received his approval. Whether his approval extended beyond the organization of the board of directors who had lately been constituted, does not appear. If it did, he could not, and probably did not, attempt to vary any liability imposed by express statute. It is suggested, also, that the conduct of the receiver who preceded the plaintiff has contributed to increase the loss from the poor assets. Such, however, does not appear to be the fact, and, if it did, it would not affect the liability of any of

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the defendants on account of this unlawful loan, unless some part of the loss resulting from the loan was due to it. When the directors let this sum of \$36,000, of the money of the bank, go into the hands of Edward A. Sowles, as money borrowed by him of the bank, they placed it outside of where the law authorized them to place it, and became liable, then and there, for the excess above the legal limit at least, and chargeable for it, if, in consequence, it should be lost. What occurred afterwards had no effect upon the liability, except as it may have varied the amount of the loss. The result is, that the defendants Albert Sowles and Burton are chargeable for the amount of this loss. There is no occasion for an account of it, for the amount distinctly appears. The defendants Edward A. Sowles and Hall are not, upon these considerations, chargeable for any of the losses in this suit; but they are so connected with these matters that they do not appear to be entitled to costs.

Let a decree be entered that the defendants Albert Sowles and Burton are chargeable for the amount of the loss on the loan of \$36,000 to Edward A. Sowles, ascertained to be \$32,559.33, and that they pay that sum to the orator, with costs to be taxed, within twenty days from the entry of the decree, and that the bill be dismissed as to Edward A. Sowles and Hall, without costs.

Chester W. Witters, for the orator.

Albert P. Cross, for the defendant Burton.

Edward A. Sowles, for himself.

The List Publishing Company v. Keller.

THE LIST PUBLISHING COMPANY**vs.****LOUIS KELLER. IN EQUITY.**

A person who compiles a "society" directory infringes the copyright of a prior "society" directory, if he uses the prior work, though only to a limited extent, to save himself the trouble of making an independent selection or classification of the persons whose names appear in his directory.

The existence of the same errors in the two publications affords one of the surest tests of copying.

(Before WALLACE, J., Southern District of New York, April 14th, 1887.)

WALLACE, J. The parties are the proprietors and publishers of rival "society" directories, which purport to give the names and addresses of those persons in New York city who are supposed to be people of fashion. The complainant asserts that its copyrighted directory "The List" is infringed by the defendant's directory the "Social Register," and has made a motion for a preliminary injunction.

The question in the case is, whether the defendant, in compiling his directory, has done so by his own original labor, or whether, in order to spare himself time and expense, he has copied the names and addresses given in the "Social Register" from "The List." If he has copied any part of the complainant's book he has infringed the copyright. He has no right to take, for the purposes of a rival publication, the results of the labor and expense incurred by the complainant, and thereby save himself the labor and expense of working out and arriving at these results by some independent road. (*Morris v. Ashbee*, L. R., 7 Eq., 34.) It was held, in *Kelly v. Morris*, (L. R., 1 Eq., 697,) where the publication in controversy was a general directory, that the only legitimate use which a subsequent compiler can make of a copyrighted directory already published, is for the purpose of verifying the

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correctness of the results reached by his own independent efforts in obtaining information. In the later case of *Morris v. Wright*, (*L. R.*, 5 *Ch.*, 279,) it was held, that the subsequent compiler can use a directory previously published, for the purpose of directing himself to the persons from whom such information is obtained. No compiler of a book such as directories, guide-books, road-books, statistical tables, can acquire, by a copyright, a monopoly of the matter published; but the subsequent compiler must investigate for himself from the original sources of information which are open to all. It has been said, that, in the case of a road-book, he must count the mile-stones for himself, and, in the case of a map of a newly discovered island, he must go through the whole process of triangulation, just as if he had never seen any former map; and, generally, he is not entitled to take one word of the information previously published, without independently working out the matter for himself, and the only use he can legitimately make of a previous publication is to verify his own calculations and results, when obtained. It is not necessary to adopt this statement unqualifiedly, but it is safe to say that the compiler of a general directory is not at liberty to copy any part, however small, of a previous directory, to save himself the trouble of collecting the materials from original sources. Otherwise, as the matter of rival publications of this kind is identical, there would be practically no copyright in such a book.

It is not necessary or reasonable to apply so strict a rule to publications like the present. They are designed to provide a catalogue, in convenient form, of the names and addresses of a selected class of eligible persons. They are original to the extent that the selection is original. Their commercial value depends upon the judgment and knowledge of the author respecting the social standing and society relations of a limited class of the general public. When the selection is made, each compiler must, of necessity, reproduce the same names and addresses, so far as the selections coincide, and must arrange them in alphabetical order. The law of copyright only requires the

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subsequent compiler to do for himself that which the first compiler has done. The same sources of original information are open to each. Either of the present parties could lawfully use the general city directory to obtain the correct addresses of the selected persons; nor is it doubted that the defendant had the right to use the complainant's book for the purpose of verifying the orthography of the names, or the correctness of the addresses, of the persons selected. But, if the defendant has used "The List" to save himself the trouble of making an independent selection or classification of the persons whose names appear in the "Social Register," although he may have done so only to a very limited extent, he has infringed the complainant's copyright.

In a case like this, when a close resemblance is the necessary consequence of the use of common materials, the existence of the same errors in the two publications affords one of the surest tests of copying. The improbability that both compilers would have made the same mistakes, if both had derived their information from independent sources, suggests such a presumption of copying by the later compiler from the first, that it can be overcome only by clear evidence to the contrary. (*Mawman v. Tegg*, 2 *Russ.*, 393; *Spiers v. Brown*, 31 *L. T. R.*, 16; *Lawrence v. Dana*, 2 *Am. L. T. R.*, *N. S.*, 402.) The complainant relies upon this criterion here. "The List" contains a selection of about 6,000 names and addresses of persons residing in New York city, out of the 313,000 names which appear in the general city directory. The "Social Register" contains about 3,500 names and addresses of persons residing in New York city, and of this number over 2,800 appear in "The List." The fact that 2,800 of the names and addresses in the defendant's book originally appeared in the complainant's book, would, standing alone, be quite inconclusive. But, when it is shown that 39 errors in the complainant's book, consisting of misprints, erroneous addresses, insertion of names of persons who never existed, and insertions of names of deceased persons, are reproduced in the defendant's book, although it was not

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published until more than a year after the complainant's book was published, a strong presumptive case of piracy is made out.

The depositions on the part of the defendant are addressed, in part, to an explanation of his reproduction of these errors, consistently with the theory that they were not copied from the complainant's book. These depositions have been carefully read and considered, and the conclusion has been reluctantly reached, that the explanation is inadequate. It will not be profitable to analyze the depositions. It suffices to state, that the case for the complainant is such as to call for a full and explicit vindication on the part of the defendant. If it is true that his directory was prepared from several private visiting lists furnished to Ashmore for the purpose, these lists should have been produced, or their non-production accounted for; and, if they could not be produced, corroborative testimony of their existence, the sources from which they were obtained, and their contents, should have been adduced.

It may be that the presumption which at present must prevail will be overthrown by the proofs at the final hearing of the cause, but, as the case now appears, the complainant is entitled to an injunction. The injunction will be limited to the extent to which the defendant's book is identical with the complainant's book.

Miller & Macfarlane, for the plaintiff.

Wetmore & Jenner, for the defendant.

Estes v. Worthington.

DANA ESTES AND OTHERS

vs.

RICHARD WORTHINGTON AND OTHERS. IN EQUITY.

A plea to a bill in equity against W. and others, for the infringement of a trade-mark, alleged the pendency of another suit, brought by the plaintiff against W. for the same matters, and that the defendants other than W. were his agents and servants in doing the wrongful acts complained of: *Held*, that the plea was bad.

(Before WALLACE, J., Southern District of New York, April 14th, 1887.)

WALLACE, J. The plea which has been set down for argument must be overruled, because the plea of another suit pending is good only when the first suit is between all the same parties and a full decree can be had therein respecting the matters of the second suit. Neither of these conditions exists in the present case.

The bill alleges that the several defendants, including Richard Worthington, have been guilty of joint acts of infringement of the complainant's trade-mark, and it prays for an injunction and an accounting against all the defendants. The plea avers the pendency of another suit, brought by the complainant against Richard Worthington, for the same matters, and also avers that the defendants other than Richard Worthington were his agents and servants in doing the wrongful act complained of.

It is not necessary to the sufficiency of a plea of another suit pending, that the former suit should be precisely between the same parties as the latter. (*Story's Eq. Pl., sec. 738.*) No person should be made a party who has no interest in the suit, and against whom no decree can be had at the hearing; and for this reason a person who is a mere agent for another in the transactions in controversy ought not generally to be made a party defendant, unless his presence is necessary for

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the purposes of discovery. (See *Egmont v. Smith*, 6 Ch. D., 469; *Attwood v. Small*, 6 Cl. & F., 352; *Weise v. Wardle*, L. R., 19 Eq., 171.) And it has been held, in suits for infringements of patents, that there is a class of agents, such as mere workmen in the employ of a manufacturer, against whom there can be no recovery, although they may have participated somewhat in the acts of infringement. (*Delano v. Scott*, Gilp., 489; *United Nickel Co. v. Worthington*, 13 Fed. Rep., 392.) But, ordinarily, the infringer cannot escape responsibility by showing that he was acting for another. (*Maltby v. Bobo*, 14 Blatchf. C. C. R., 53; *Steiger v. Heidelberg*, 18 Id., 426.)

In torts of misfeasance, like the violation of a trade-mark, agents and servants are personally liable to the injured party. (*Bell v. Josselyn*, 3 Gray, 309; *Richardson v. Kimball*, 28 Maine, 463; *Mitchell v. Harmony*, 13 How., 115; *Phelps v. Waite*, 30 N. Y., 78.) All persons procuring, or assisting in, the commission of a trespass, are principals in the transaction, and both the master who commands and the servant who does the act of trespass may be made responsible as principal, and may be sued jointly or severally for damages, as the injured party may elect. (*Lightner v. Brooks*, 2 Cliff., 287.) A joint action will lie against the principal and agent. (*Wright v. Wilcox*, 19 Wend., 343.) If separate actions are brought against several joint trespassers, the plaintiff may proceed to judgment in all; and the judgment against one is not a bar to a trial and recovery against the others, although there can be but one satisfaction. (*Livingston v. Bishop*, 1 Johns., 289.)

It follows, that the defendants, although they were only the agents or servants of Richard Worthington, in doing the wrongful acts sought to be restrained, and for which damages are claimed, are responsible to the complainant, and the complainant has the right to pursue them and obtain the relief prayed for, although he is pursuing Richard Worthington, at the same time, in another suit, for the same wrongs. The facts alleged in the plea may authorize an ap-

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plication by Richard Worthington to stay the prosecution of the first suit against him during the pendency of the present suit, but they are insufficient for the purposes of a plea.

George G. Frelinghuysen and J. L. S. Roberts, for the plaintiffs.

George A. Black, for the defendants.

THE NEW YORK BELTING AND PACKING COMPANY

vs.

THE NEW JERSEY CAR SPRING AND RUBBER COMPANY. IN
EQUITY.

It is not novelty which will sustain a design patent, to transfer to rubber, or to a rubber mat, an effect or impression to the eye which has been produced upon other materials or articles by contrast or variation of light and shade.

(Before WALLACE, J., Southern District of New York, April 14th, 1887.)

WALLACE, J. It is insisted, by demurrer to the bill, that the patent sued upon is invalid upon its face, for want of novelty. In determining the question the Court can only consider such familiar facts as fall within the category of those things of which judicial notice will be taken.

The patent is for a "design for a rubber mat." The patentee states, in the description, that, "in accordance with the design, the mat gives, under the light, different effects, according to the relative position of the person looking at it. If the person changes his position continuously, the effects are kaleidoscopic in character. In some cases, moire effects, like those of moire or watered silk, but generally mosaic ef-

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fects, are produced. Stereoscopic effects, also, or the appearance of a solid body or geometric figure, may at times be given to the mat, and, under proper conditions, an appearance of a depression may be presented. The design consists in parallel lines of corrugations, depressions or ridges, arranged to produce the effects as above indicated. I may divide the mat, by a number of imaginary lines, representing a projection of any geometrical figure, and, in each of the sections as formed, make parallel corrugations or alternate ridges and elevations, the different sets of corrugations making with each other the proper angle to give the effects sought for. To give the moire effects, I usually make the ridges and depressions undulating, while maintaining the parallel position with relation to each other. I desire, therefore, to have it understood that I do not intend to limit the design to parallel corrugations which are straight throughout any considerable portion of their length, but that it includes the undulating ridges and depressions, or other disposition or formation in which the corrugations alter their direction irregularly, or in which they may be straight for a certain distance and then formed in undulations, and that it includes the corrugations arranged in concentric circles, in spirals, in zigzags, or according to any desired figure."

The claims are as follows: "1. A design for a rubber mat, consisting of corrugations, depressions, or ridges, in parallel lines, combined or arranged relatively, substantially as described, to produce variegated, kaleidoscopic, moire, stereoscopic, or similar effects, substantially as set forth. 2. A design for a rubber mat, consisting of a series of parallel corrugations, depressions, or ridges, the lines of the said corrugations being deflected at one or more points, substantially as set forth. 3. A design for a rubber mat, consisting of a series of parallel corrugations, depressions, or ridges, arranged in sections, the general line of direction of the corrugations in one section making angles with, or being deflected to meet, those of the corrugations in the contiguous or other sections, substantially as described."

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The patent is an attempt to secure to the patentee a monopoly of all ornamentation upon rubber mats, by which variations of light and shade are produced by a series of ridges and depressions, without regard to any particular arrangement or characteristics of the lines, except that they are to be parallel. Although there is an illustration in the drawing, and although each claim is for a design "substantially as described," the language of the specification is carefully expressed so as not to restrict the claims to the design shown in the drawing, but so that the first claim shall include every variety which can be produced by the arrangement of corrugations, depressions or ridges in parallel lines; the second, all obtainable when by the arrangement the corrugations are deflected; and the third, all obtainable when, by the arrangements of corrugations in sections, those of one section make an angle with those in the contiguous or other sections.

It was not new to produce contrasts and variations in light and shade, or stereoscopic effects, by depressions or elevations in the surface of materials. It was old to do this by arranging them in parallel lines, as in wood, plaster and corduroy cloth. It is not novelty which will sustain a design patent, to transfer to rubber, or to a rubber mat, an effect or impression to the eye which has been produced upon other materials or articles by contrast or variation of light and shade. The design of this patent is not new unless it embodies a new impression or effect, produced by an arrangement or configuration of lines which introduces new elements of color or form. This is not claimed. None of the claims can be limited to a design which produces any definite or concrete impression to the eye.

The demurrer is sustained.

William H. L. Lee, for the plaintiff.

Arthur V. Briesen, for the defendant.

Wallis v. Shelly.

HAMILTON WALLIS, RECEIVER, &C.

vs.

EDWARD J. SHELLY, WILLIAM A. TOPPING, AND OTHERS.
IN EQUITY.

In the absence of authority from the owner of personal property levied on under execution, a sheriff has no right to employ an auctioneer to sell such property.

In view of the special facts in this case, *held*, that a bill in equity would lie against the sheriff and the auctioneer for a discovery and an accounting in respect of moneys retained by the auctioneer for his fees.

(Before WALLACE, J., Southern District of New York, April 16th, 1887.)

WALLACE, J. The defendants Shelly and Topping hold in their hands the sum of \$2,330.65, the proceeds of certain personal property of the corporation of which the complainant is receiver. Actions had been brought in the Supreme Court of this State, by several creditors of the corporation, and executions were issued upon the judgments obtained therein, and were duly delivered to the sheriff of the city and county of New York, to be satisfied by a levy and sale of the property of the corporation. The sheriff, by his deputy, employed the defendant Topping, as an auctioneer, to make sale of the property upon the executions. Topping made the sale and turned over the proceeds, less his commissions, to the defendant Shelly, the sheriff having in the meantime left the country and given to Shelly a power of attorney to act for him in all matters respecting his official business. The commissions charged by Topping amounted to \$1,065.45. The proceeds paid over by Topping to Shelly amount to \$1,478.54, after payment of the executions in full, with the sheriff's fees and poundage.

The sheriff had no right to employ an auctioneer at the expense of the owner of the property seized on the execu-

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tions, in the absence of authority from the owner in that behalf. The fees and poundage allowed by statute to a sheriff, for levying and collecting an execution, are the only charges to which he can lawfully subject the property of an execution debtor. (*Crofut v. Brandt*, 58 *N. Y.*, 106; *McKeon v. Horsfall*, 88 *N. Y.*, 429.) It was the duty of the sheriff to pay over to the execution debtor all the proceeds of the sale except such as he could lawfully appropriate to satisfying the executions and his own statutory compensation. The remaining proceeds were the moneys of the corporation, and Topping could acquire no right to any portion of them as commissions, by an agreement with the sheriff which the latter had no authority to make. Consequently, both Shelly and Topping are liable to the complainant for the moneys remaining in their hands respectively.

The complainant could have brought suits at law against each defendant and recovered the moneys held by each, as money had and received to the complainant's use. Privity of contract between the parties is not essential in such an action. Whenever one person has in his hands money equitably belonging to another, the law implies a promise to pay it over, and he to whom it belongs may recover it by assumpsit for money had and received. As is said in *Hall v. Marston*, (17 *Mass.*, 574 :) "There are many cases in which that action is supported without any privity between the parties other than what is created by law. Whenever one man has in his hands the money of another, which he ought to pay over, he is liable to this action, although he has never seen or heard of the party who has the right. When the fact is proved that he has the money, if he cannot show that he has legal or equitable ground for retaining it, the law creates the privity and the promise." There is a class of cases for money had and received which hold that an action will not lie against the agent but only against the principal, and the defendants rely upon these authorities, and cite *Denny v. Manhattan Co.*, (2 *Denio*, 115;) *Colvin v. Holbrook*, (2 *Comst.*, 126;) *Hull v. Lauderdale*, (46 *N. Y.*, 70.) These

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cases apply when the agent is responsible for the payment of the money to the principal only. When the plaintiff does not make title through a contract with the agent but has a title to the money in his hands paramount to that of the principal, the law is well settled, that the agent who has received the money is personally liable unless he has paid it over to his principal before notice. (*Elliott v. Swartwout*, 10 *Peters*, 137.) Although an action for money had and received is frequently called an equitable action by the authorities, Courts of equity refuse jurisdiction, in the absence of special circumstances, because the remedy at law is adequate and complete. (See *Gaines v. Miller*, 111 *U. S.*, 395.) In the present case, however, the peculiar state of facts alleged in the bill entitles the complainant to come into a Court of equity for discovery, and, as the bill is for discovery as well as for relief, the objection that the suit is not one for equitable jurisdiction should not prevail. The case of *N. Y. Ins. Co. v. Roulet*, (24 *Wend.*, 505,) is directly in point.

The suggestion that the complainant has an ample remedy by an action against the sureties upon the sheriff's official bond is without force. The question is, whether the complainant can come into equity to enforce his claim against the present defendants. If he can, he certainly is not to be turned out of Court because he might have sued some other parties and recovered in a Court of law. He cannot be compelled to seek a remedy at law against another, in preference to relief in equity against the present defendants.

A decree is ordered for the complainant.

William G. Wilson, for the plaintiff.

Luther W. Emerson, for the defendant.

Higgins v. Keuffel.

CHARLES M. HIGGINS AND OTHERS

vs.

WILLIAM D. KEUFFEL AND OTHERS. IN EQUITY.

A copyright of a label registered in the Patent Office, in 1883, numbered 3,693, under the Act of June 18th, 1874, (18 *U. S. Stat. at Large*, 78,) is abandoned, so that no action for infringement can be maintained, if the only notice of copyright given, by inscription on the labels, is by printing on their face the word and figures, "Registered, 3,693, 1883."

(Before WHEELER, J., Southern District of New York, April 19th, 1887.)

WHEELER, J. This bill is brought upon a copyright of a label registered in the Patent Office by the orator Higgins, October 27th, 1883, numbered 3,693. (*Act of June 18th, 1874, 18 U. S. Stat. at Large, 78.*) The title by which the label is registered is, "Waterproof Drawing Ink." The label itself consists of the same words, in one line, in an oblong formed of double lines. The alleged infringement consists of the words: "Waterproof Black Drawing Ink," in three lines, in a similar oblong, with a medallion at each end of the lines of words within the oblong. No notice of a copyright by inscription on the labels is given otherwise than by the word and figures: "Registered, 3,693, 1883," printed on their face. The effect of this Act of Congress is understood to be to require the registration of labels in the Patent Office, in place of their deposit in the office of the Librarian of Congress, to copyright them. (*Marsh v. Warren, 14 Blatchf. C. C. R., 263.*) No remedy for infringement is given by that Act; but the form of the notice, without which no action could be maintained, is so varied that it may be by the word, "Copyright," with the year in which, and the person by whom, the copyright was taken out, instead of a statement of an entry in the office of the Librarian, as before was required. This would enable a notice of a copyright by registration to be

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given without the making of a false statement as to entry, and make the statutes harmonious. The notice in one or the other of the forms was as much requisite to the maintaining of an action, as before, and as much when the copyright was by registration in the Patent Office, as when it was by deposit in the office of the Librarian. If the word, registered, was the equivalent of the word, copyright, for this purpose, the notice would lack the name of the party by whom the copyright was taken out. The name is expressly required to the notice by this Act, as it has always been required in such notices of copyright. (*Act of May 31st, 1790, 1 U. S. Stat. at Large, 124; Rev. Stat., sec. 4,962.*) And the word, copyright, has a peculiar significance in such a notice. It carries the meaning of what has been done in a manner that the word, registered, alone does not. The former word signifies that the person whose name is appended had the right to copy, while the latter does not tell what had been registered nor where. The exact form of the notice is prescribed by law, and no equivalent is provided for, nor any room for an equivalent left. If that specific notice is not given the right of action otherwise conferred is withheld. All the requirements of law on which the right of action rests must be complied with or the suit cannot be maintained. (*Wheaton v. Peters, 8 Pet., 591.*) This notice is so defective that the publication of the label with no other was the same, in effect, as a publication without any would have been. Such a publication is practically an abandonment of the copyright.

The orators claim that Higgins was an inventor or discoverer of waterproof ink, for which he composed this label; and that, to some extent, the label indicated that ink to which it was applied was his. If these claims are well founded, as they may be, they do not appear to vary the rights of the orators, as owners of this copyright. He has no patent for the ink, and the manufacture and sale of that appears to be open and free to all. This device was not registered as a trade-mark; and, if the orators have any rights to it, as such, growing out of its use, they are not in any manner involved

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here now. (*Trade-mark Cases*, 100 U. S., 82.) The only right now involved is the exclusive right to copy; and no right of action upon that appears to remain.

These considerations make it unnecessary to consider any question of infringement.

Let there be a decree dismissing the bill of complaint, with costs.

Edward W. Cady, for the orators.

Louis C. Raegener, for the defendants.

 GERHARD LUYTIES AND OTHERS

vs.

FREDERICK HOLLENDER AND OTHERS. IN EQUITY.

The word "Kaiser," as a trade-mark for natural mineral water, could not be lawfully registered, in 1883, under the Act of March 3d, 1881, (21 U. S. Stat. at Large, 502.)

(Before WALLACE, J., Southern District of New York, April 21st, 1887.)

WALLACE, J. The complainants registered in the Patent Office, July 11th, 1883, the word "Kaiser," as a trade-mark for natural mineral water. They adopted the name as early as in 1878, and, at the time of registration, had used it, and have used it since, in foreign commerce, selling their mineral water in bottles labelled "Kaiser Natural Mineral Water," with the words "Kaiser Water, Schwalheim" blown in the glass. The defendants sell mineral water in bottles labelled "Kaiser Water, Birresborn Natural Mineral Water." The bill is filed for an injunction and accounting.

Both parties are citizens of this State, and for that reason

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this Court can entertain jurisdiction only upon the theory that the complainants have a valid trade-mark in the word registered, pursuant to the Act of Congress of March 3d, 1881, (21 *U. S. Stat. at Large*, 502,) and no relief can be granted because of any unlawful competition in trade by the defendants with the complainants. The question, therefore, is, whether the complainants have the exclusive right to appropriate the word "Kaiser" as a trade-mark for natural mineral water.

It is in proof, that, long before the complainants adopted the word as a trade-mark, there were a number of springs of mineral waters located at different places in Europe, known by the name of "Kaiserquelle" or "Kaiserbrunnen." The English translation of these names is Kaiser spring; Kaiser fountain. Several of them were in Germany. One was at Aachen, the waters of which were celebrated, and were in extensive demand in Europe, and had been sold in bottles labelled "Aachen, Kaiserquelle" and "Kaiserbrunnen," by the municipality of Aachen. These springs took their name from the sovereign of the country, and, except when the name of the place of location was used in conjunction with the name of the spring, the word "Kaiserquelle" or "Kaiserbrunnen" did not indicate the origin or the characteristics of any particular water.

Upon these facts it must be held, that the complainants' selection of a trade-mark is open to the objection that they have adopted a name which is descriptive of natural mineral waters that others had a prior right to sell by the same name, and more especially those from the springs of Aachen, the waters of which had been introduced to the public, sold and become well known by the name of "Kaiserquelle" or "Kaiserbrunnen." The municipality of Aachen has certainly the prior right to use, as a trade-mark, a name which, when applied to mineral waters, signifies the waters of its own spring, the Kaiser spring of Aachen. (*Congress & Empire Spring Co. v. High Rock Congress Spring Co.*, 45 *N. Y.*, 291.)

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To entitle the name to equitable protection as a trademark, the right to its use must be exclusive, and not one which others can employ with as much truth as those who adopt it. (*Canal Co. v. Clark*, 13 Wall., 311.) As against the complainants it would clearly be legitimate for the owners of any of the Kaiserquelle waters of Europe to sell them in this country or in England by the name of the Kaiser spring waters, or to sell them anywhere by a name which in any language would signify to the purchaser the true name of the article and be descriptive of its origin and ownership.

Kaiser spring water and Kaiser water, when used to describe natural mineral waters, mean the same thing; and the essential identity between the name adopted by the complainants and that which others had a prior right to use is not changed by omitting the word "spring." That word would be inevitably associated by a purchaser of the article with the rest of the name.

If the complainants had adopted as their trade-mark the compound word "Kaiser water, Schwalheim" it is quite likely they would be entitled to protection. As it is, the bill must be dismissed.

William H. O'Dwyer and Kate Newell, for the plaintiffs.

Louis C. Raegener, for the defendants.

WILLIAM B. HATCH AND OTHERS

vs.

FRANCIS A. HALL. IN EQUITY.

S., the owner of letters patent, assigned to H. all his interest in the invention secured by the patent for the State of New York, to be held by H. "as fully and entirely as the same would have been held" by S., "if this assignment

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and sale had not been made." H. granted to F. an exclusive license to make, use and sell the patented improvement in the cities of New York and Brooklyn, "and sell in the State of New York, and elsewhere." In a suit by the owners of the patent for territory outside of the State of New York, against F., for selling the improvement in such outside territory: *Held*, that F. had no such right.

(Before WHEELER, J., Southern District of New York, April 25th, 1887.)

WHEELER, J. From the pleadings and proofs it appears that one Claude L. Stillman, while the owner of re-issued letters patent numbered 9,596, dated February 15th, 1881, and granted to the orator William B. Hatch, for improvements in spring bed bottoms, duly assigned to Nellie C. Hedley all his right, title and interest in the invention secured by the patent, for, to and in the State of New York, to be held and enjoyed by her during the term of the patent, "as fully and entirely as the same would have been held and enjoyed by" him, "if this assignment and sale had not been made." This assignment was made and dated August 1st, 1881. Stillman assigned to the orator Orilla L. Hatch, wife of William B., all his right, title and interest in the patent, June 28th, 1882. Nellie C. Hedley, on September 5th, 1883, granted to the defendant Hall an exclusive license to make, use and sell the patented improvement in the cities of New York and Brooklyn, "and sell in the State of New York and elsewhere." The orator Hatch, April 1st, 1884, granted to Elmer H. Grey, Joseph Hancock and Truman H. Grey, the other orators, an exclusive license to make and sell the patented inventions in the States of Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Florida, Alabama, Mississippi, Louisiana, Georgia, and Tennessee, and in the District of Columbia. All these conveyances and grants were duly entered of record in the Patent Office. The defendant claims the right to sell in this territory by virtue of his grant from Hedley to sell in the State of New York and elsewhere. He claims that she acquired the right to make this grant to him by the force of the terms of the grant from Stillman to her, while

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he owned the patent, and by force of an arrangement with Mrs. Hatch and her husband while she owned it. He insists that, as Stillman was the owner of the patent, and had the right to sell the invention everywhere throughout the United States, as well as in New York, his grant to her of the right for that State, to be held by her as fully as it would have been held by him if the grant had not been made, carried the right to do whatever, out of New York, he could have done. His grant to her, however, was, in terms, a grant of the territorial right of that State. What was to be held by her as fully as he would have held it if he had not made the grant was that right, no more or less. These words appear to have been merely a confirmation to her of what had been granted by preceding words. They are such as are frequently used in conveyances of land, and would not probably be thought to convey any right in any other lands than those conveyed, which the grantor might have. And the evidence fails to show satisfactorily that there was any arrangement, sufficiently definite and certain, between Hatch and Hedley, for any right or interest in the patent, outside the written conveyances, to form the basis of any legal claim, even between the parties themselves. Hedley instituted proceedings to protect the patent against infringers, which would enure to the benefit of Hatch, and it is probable that Hatch did give Hedley to understand, that, if the suits should be prosecuted and the patent sustained, Hedley should have favorable consideration in dealing with the patent, and, perhaps, control of it. But there was no definite agreement that Hedley would prosecute the suits to any extent, and no other consideration moving between them. At most, it was merely a friendly understanding, which either could drop at any time, without incurring any liability to the other. It falls short of anything that would affect the title to the patent, especially against persons without notice of it. (*Iron Wagon Wheel Co. v. Iron Wagon Co.*, 22 *Blatchf. C. C. R.*, 221.) The defendant must stand upon his territorial rights as they are shown by the record title to the patent. They furnish ample pro-

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tection against the patent, for making, selling and using within the territory. In *Adams v. Burke*, (17 Wall., 453,) it appears to have been held, against a strong dissent, that a purchaser from one having a territorial right of an article for mere use did not infringe against the owner of other territory, by using it there. That case is, of course, to be followed here so far as it went, while it stands. It leaves to the defendant the right to sell within his territory, for mere use outside. But it was carefully limited to what was necessary to be decided, and did not go beyond the mere use in question. It falls far short of holding that a purchaser from the owner of a territorial right, within the territory, could sell outside without infringing upon the rights of the owner of that territory. Sellers in the territory of the orators would appear to be infringers there, without reference to where they obtained the goods, if not from the orators. The defendant appears to have furnished beds of the patent to dealers to be sold outside, and to have sought their custom for that purpose. They were infringers in making the sales, and he participated in the infringement, by furnishing the means for it and aiding and abetting it. Such a participant in the tort of infringement is liable for the whole. (*Rumford Chemical Works v. Hecker*, 2 Bann. & Ard., 351; *Richardson v. Noyes*, Id., 398; *Cotton Tie Co. v. McCready*, 17 Blatchf. C. C. R., 291; *Travers v. Beyer*, 23 Blatchf. C. C. R., 423; *Alabastine Co. v. Payne*, 27 Fed. Rep., 559.)

The decision upon the motion for a preliminary injunction in this case is relied upon for the defendant, in support of a right to sell for any purpose within his territory. The preliminary injunction was limited to restraint of sales outside of his territory. (22 Fed. Rep., 438.) It was not held, however, that participating in such sales by others should not be likewise restrained. Such outside dealer was held liable in *Hatch v. Adams*, (22 Fed. Rep., 434,) with reference to this same patent and these same territorial rights. The defendant is now held liable for aiding in the same thing.

Let there be a decree for a perpetual injunction, restrain-

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ing the defendant from selling, and from selling to others for sale, in the territory of the orators, and for an account of profits and damages, with costs.

Frank P. Prichard, for the plaintiffs.

B. F. Watson, for the defendant.

CHESTER W. WITTERS, RECEIVER OF THE FIRST NATIONAL
BANK OF ST. ALBANS

v8.

ALBERT SOWLES AND OTHERS. IN EQUITY.

After a decision was made in a suit in equity, and before a decree was entered, the defendant moved for leave to take further testimony, on the ground that he did not cross-examine one witness on a particular point; that he did not cross-examine another witness; that his principal counsel was absent at the taking of the testimony; and that his counsel who was present was not familiar with the details of the case: *Held*, that the motion must be denied.

(Before WHEELER, J., Vermont, May 2d, 1887.)

WHEELER, J. Since the decision, (*ante*, p. 332,) and before entry of the decree, in this cause, the defendant Burton has moved, on the affidavits of himself, Albert Sowles, D. Noyes Burton, and Albert P. Cross, for leave to take further testimony upon the question of his assent to the loan of \$36,000, to Edward A. Sowles, for the loss upon which a decree has been directed to be entered charging him and Albert Sowles. There were two boards of directors from January 13th to February 11th, 1880, each claiming to be the rightful board, both of which included Albert Sowles and one other, and one of them Edward A. Sowles and Burton. The stock of those not in the latter board, and some besides,

was purchased by Edward A. Sowles and paid for with the proceeds of this loan, to settle the difficulty between the two boards. The orator took the testimony of Albert Sowles, in which he testified, April 12th, 1886, distinguishing this loan from others not assented to by the directors, that it was approved by all the directors, the board that went out and the board that came in February 11th, 1880. He was cross-examined by counsel for the defendant Burton at length, but was asked nothing on that subject. The defendant Burton testified at length in his own behalf. This loan, after a while, took the form of drafts, and accommodation notes. He testified that he had no knowledge of these drafts or notes until shortly before the bank failed, but did not testify about his knowledge of the original loan. Edward A. Sowles testified that it was understood that he should have a loan of \$36,000 from the bank in order to pay for the stock, and that the old board of directors approved of the loan by taking the avails of it. Counsel for Burton were present but did not cross-examine him. The substance of the affidavits of Burton, in addition to what his testimony was, is, that his principal counsel, on whom he most relied, was not present at the taking of the testimony, and that the counsel who was present for him was not familiar with the details of the case; that he had no knowledge of this original loan, but supposed that Edward A. Sowles purchased the stock with his own means; that he was not at St. Albans on February 11th, 1880, and did not know what was done there on that day; that he was informed afterwards, that the difficulty was settled by the purchase by Edward A. Sowles of the stock of three of the persons claiming to be directors, who had got out of the way; that he does not recollect that he was informed that he was appointed a director on that day, but has always supposed that he held the office during that year by the election by the stockholders in January; that he has been told by one of the retiring directors that he was not at St. Albans on that day, and that this director did not think that he knew anything at that time about the transactions which took place on that day

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there ; that the retiring directors refused to resign until they had the money for their stock, and it was taken from the bank and paid to them, and a bond of indemnity to them was required by them, and taken from Edward A. Sowles and Albert Sowles ; that this director declined to make affidavit of these facts, but, he believes, will testify to them if compelled ; that, soon after the dispute among the directors was settled, there was an arrangement between him and Edward A. Sowles and his son D. Noyes Burton, for the purchase of one hundred shares of the stock ; and that they examined the assets of the bank at that time and found no trace of such a loan, but the arrangement failed for other reasons. The substance of the affidavit of Albert Sowles is, that about one hundred and ninety shares of the stock were transferred to Edward A. Sowles February 11th, 1880, and \$22,800 taken from the funds of the bank, shown by a cash memorandum merely, and one hundred shares about March 19th, and \$12,350 taken from the funds of the bank, for which unaccepted drafts of Edward A. Sowles were given, to pay for this stock ; that these drafts were not entered on the books of the bank, but, with the cash memorandum, were carried to October 1st, 1880, when new unaccepted drafts of Edward A. Sowles, to the amount of \$37,600, were taken in place of them and then entered on the books of the bank ; that he has no knowledge now that defendant Burton was informed by any one that Edward A. Sowles procured the money from the bank to pay for the stock, or had any knowledge of the drafts ; that, so far as he knows now, Burton had no knowledge that drafts and notes to replace these drafts were given for the money taken by Edward A. Sowles to pay for the stock ; and that he did not intend to testify in any manner differently from this before, but had not then examined into the details of the loan, as he has since, and got a little mixed in his account of it. The word, now, by which he limits his present knowledge of Burton's information and knowledge of the loan and drafts was carefully interlined twice, at the time of making oath to the affidavit, apparently ; which indicates that his at-

tention was called to it, and that he suggested or recognized its propriety. The substance of the affidavit of D. Noyes Burton is, that, shortly after his father was elected director, February 11th, 1880, he examined the assets of the bank with his father, in view of the negotiation for one hundred shares of stock with Edward A. Sowles, and found no indication that he had taken the money of the bank to pay for stock then understood to have been recently purchased by him. The substance of the affidavit of Albert P. Cross is, that he was employed to attend the taking of the testimony in behalf of Burton; that he expected the senior counsel to be present and assist; that but little was taken before December, 1886, and then he was informed that the senior counsel could not attend, and that he must attend to it without that assistance; that Burton stated to him his knowledge of this loan, as stated in his affidavit; that, in view of the testimony taken by the orator, he deemed the questions asked Burton, which elicited his testimony as to the drafts and notes, and that testimony, as being all that was required to meet the case made by the orator on this item; and that it was understood between him and the orator, that there were securities held by the orator applicable to this loan, and that there would be a reference to a master to ascertain the amount of the loss in case liability for it should be decreed, and that evidence on that subject would not then be proper and was omitted on that account. That Burton's attention was called to the charge against him on account of this loan is fully apparent from these affidavits, as well as from his former testimony. Besides that this loan was specifically set out in the bill as a ground of liability on his part, on account of its unlawful character, with others on the same ground. His answer to these allegations was, that never so far as he knew, and never with his consent, was the limitation as to the sum to be loaned to any person or corporation allowed to be violated by the bank or the directors of the bank. The effect of this part of the answer as evidence of any fact is fully met by other instances in which the limitation was violated by transactions

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in which he took part and of which, by his own testimony, he had full knowledge. Of this class is the case where D. Noyes Burton had, according to his testimony, used \$20,000, borrowed by Olliffe & Schmidt, D. Noyes Burton and Edward A. Sowles, and became the borrower of that amount at this bank, on paper endorsed by him and Sowles to that amount, to make good what was so used. Also of this class was the loan in May, 1883, to the Glens Falls Shirt Co., of over \$16,000, on paper endorsed by himself and Edward A. Sowles. And Albert Sowles testifies to his consent to a loan to him of \$10,000, when he was already indebted to a large amount. This is, however, disputed by Burton. He was not charged for losses on account of these loans, for they were either shown to have been paid, or not shown to have resulted in loss. His answer may have been morally true in this respect, for he may not have known that these things were a violation of any law. If so, the same may be true as to the loan to Edward A. Sowles in question. The fact that D. Noyes Burton found no trace of the loan among the assets of the bank would have no direct bearing upon the question whether his father assented to it or not, even if he made that examination after the loan was made. But his father testified that the negotiation for the one hundred shares of stock was had in December, 1879, when he purchased ten shares of Edward A. Sowles for the purpose of becoming eligible as director, in contemplation of the election then approaching. An examination shortly after that would probably have been prior to the loan. Neither would the fact that he was not at St. Albans on the 11th of February, 1880, and did not know of the transactions of that day, as they were taking place, if shown by testimony of the outgoing director interviewed, have any immediate bearing upon the question of his assent. That he knew of a proposed purchase of the stock before that day is shown by his own testimony, given as of his own knowledge, that it was advised by the bank examiner. Edward A. Sowles is named in the motion as a witness whose testimony is desired to be taken further. There is no affida-

vit, or anything, from him to show whether there is anything to which he can testify further than he has already testified, or not. The orator is also named in the motion as a witness whose testimony is desired, but it is not understood that anything is expected from him but what appears from the records of the bank in his hands, as stated from the affidavit of Albert Sowles. Albert P. Cross is also so named. It is shown, however, that he has no knowledge on this subject, except what has been acquired since his employment as counsel. There remain Albert Sowles and the defendant Burton whose further examination is desired. There is nothing set forth from them which can, in any sense, be considered as newly discovered, except that a bond was required, and had, by the outgoing directors, to indemnify them against liability; and that \$22,800 of the loan was taken from the bank before they retired; and that the loan was not shown on the books of the bank until October 1st after. The only apparent importance in the existence of such a bond is, that the taking of it would show that those who took it had, or thought they had, incurred some liability against which they wanted indemnity. If assenting to this loan was that liability, it would have some tendency to show that they were the ones who assented to it. That fact, however, is already shown in the case, and has appeared ever since Albert Sowles testified, and appeared again in the testimony of Edward A. Sowles. That the money was taken before they retired would not show that this defendant did not assent to the loan before it was taken, and assent to it as a director. He claimed to be a director from his election by the stockholders at the beginning of the year, as appears by his testimony, and it is understood that he took the oath of office and entered upon his duties as director, so far as he was permitted, from that time forward. That others claimed to be, and were recognized by still others, who undoubtedly were directors, as the directors, would not relieve him from what he did and claimed to do as a director, that was prohibited by express law. The form of the loan and the manner of its entry on the books of the bank are wholly immaterial.

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There is no question but that Edward A. Sowles became indebted to the bank to the amount of about \$36,000, as a borrower; and that is what the statute prohibited, and the assent to the violation of that prohibition is what creates the liability. Of course, there is nothing in the defendant's own testimony which he desires to give that is newly discovered, although newly discovered facts might make it material when it did not appear to be so before. There is, however, no such fact shown now not known to him when he testified, as to make it newly material. Apparently, he now merely wishes to deny what he did not deny before, but which called for denial then as much as now. It is not understood, from the affidavit of Albert Sowles, that he intends to say that what he got a little mixed about included the assent of all the directors of both boards to this loan. He says he had not examined into the details when he testified before as he has now, and gives that as a reason for getting mixed. But when he testified about the assent, he did not go into the details at all, but testified to that as a distinct fact. He does not say that he testified then to anything which he did not recollect, nor that anything was taken down by the examiner, as testified to by him, that he did not testify to. What is desired to be asked of him now was proper matter of cross-examination then, or of examination in chief when the defendant took his testimony, if deemed desirable, and there has been nothing to vary the desirability but the decision of the case. So far as appears there was nothing to prevent the attendance of the senior counsel at the examination of Albert Sowles, in April, 1886. The testimony of the defendants was not taken until January, 1887, and that of Albert Sowles on this point lay on the surface of the case, in plain sight, during all the intervening time, for consideration as to what should be done in respect to having it explained, or attempting to contradict it. And the defendant's counsel was present to cross-examine Edward A. Sowles, when he testified, if that was deemed advisable. The defendant and his counsel in charge did as they deemed best as to all of these things. In view of what

they knew about the facts of the case their course may have been the wisest one to take, and may not. The real question is, whether what was done then should be allowed to be done over again because it is thought now that it can be done in a better manner. That it is within the power of the Court to allow this to be done now, is beyond question. But this is not a power to be exercised arbitrarily, or otherwise than according to the usual modes of procedure in such cases, as established and understood. Any other course would tend to the confusion of parties as to when and how their cases should be made up and presented, and thereby make the administration of justice less certain and increase the chances of injustice. In *Ruggles v. Eddy*, (11 *Blatchf. C. C. R.*, 524,) the defendants' counsel admitted that their stoves infringed the plaintiff's patent, if it was valid. The defendants moved to open the case after an interlocutory decree, and to be permitted to contest the question of infringement, on the ground that, if their counsel had sufficiently studied the patent and examined their stoves, the admission would not have been made. Upon this Judge Woodruff said: "I am constrained to hold the defendants concluded. Their case, as made by themselves, rests either upon their own want of due diligence, or the want of due intelligence on the part of their counsel. By this the complainant ought not to be so far prejudiced as, after decree, reference, and report of the master, to be compelled to go again through the litigation, on a point distinctly presented, and proper to be met at the outset. Their case, as presented by the counsel whom they have employed for the purposes of this motion, and who regards it as clear that, as to most of the stoves which they have made, they had avoided the operation of the patent, seems, at first view, one of hardship; but, if that is so, the defendants have brought it upon themselves by their own negligence, or by relying on a degree of vigilance, study, and accuracy on the part of their several counsel, which they now think was inadequate to their protection. No case has been referred to which, in any degree, tends to sanction the latitude of indulgence which the de-

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fendants here seek. Cases are numerous tending in the other direction, of which *India R. Co. v. Phelps*, (8 *Blatchf. C. C. R.*, 85 ;) *Hitchcock v. Tremaine*, (9 *Id.*, 550 ;) *Prevost v. Gratz*, (*Peters C. C. R.*, 364 ;) and *Livingston v. Hubbs*, (3 *Johns. Ch. R.*, 124,) are examples." A similar decision was made by Judge Johnson in *Webster Loom Co. v. Higgins*, (13 *Blatchf. C. C. R.*, 349.) In *De Florez v. Raynolds*, (16 *Blatchf. C. C. R.*, 397,) the defendants' counsel, after examination of a prior patent, omitted to put it in as evidence. After an interlocutory decree the defendants moved, by other counsel, to open the case to admit it in evidence, on the ground that their former counsel had misjudged as to the scope of the prior patent, and that they had relied upon his skill and fidelity as an attorney of the Court, when in fact he was not at that time, although assuming to be, an attorney of the Court at all. Judge Blatchford denied the motion, after a very careful review of the case and grounds of the motion. In doing so he said: "This is not a case of newly discovered evidence. The gravamen of the application is the alleged laches, and inexperience, and incompetency, of Mr. Whitney. If such grounds were to be admitted as reasons for opening cases, there would never be an end of a suit, so long as new counsel could be employed who could allege and show that prior counsel had not been sufficiently diligent, or experienced, or learned." These cases abundantly show that no mistakes of judgment, or want of attention, of counsel, if there were any such, which is not intended to be affirmed or implied, affords any just or proper grounds for granting this motion and opening the case. The judgments and decrees of Courts should rest upon such solid bases of fact as may be had by the usual modes of procedure, and the rules of evidence established by law and usage. At first sight it might appear that the retaking of evidence, or the taking of new evidence, could justly wrong no one, for the making of more truth to appear would afford greater opportunity for just judgment. But affording chances for retaking testimony, after judgment, might not always, and probably would not

often, tend to the elucidation of truth. Temptations would be furnished which it is the policy of the law to avoid. The testimony of Albert Sowles, as taken and filed in this case, is apparently straightforward, candid, truthful and fair. The defendant had, and availed himself of, full opportunity to cross-examine him upon it, and, after months to consider it in, a further opportunity to examine him, and to testify himself with reference to any facts that might be elicited. It does not satisfactorily appear now that truth and justice would be any more likely to be reached in this case by affording another opportunity, which cannot be done without breaking over well settled rules, and established modes of procedure. These views are not intended to reflect upon the testimony of any of the witnesses taken and filed, nor upon the course taken by client or counsel in making and presenting this motion; but they lead inevitably to the conclusion that this motion must be denied.

It is admitted by the orator that there are securities held by him, from the avails of which there may be something to apply on this debt, and thereby lessen the loss in consequence of this loan; and that it was understood that, if the amount of the loss should be necessary to be ascertained, a reference to a master for that purpose would be necessary. The directions for a decree should be modified accordingly.

Motion to re-open case denied; and let a decree be entered, that the defendants Albert Sowles and Burton are chargeable for the amount of the loss on the loan of \$36,000 to Edward A. Sowles; that an account be taken of the amount of that loss; that they pay the amount, when ascertained, to the orator, with costs; and that the bill be dismissed as to the defendants Edward A. Sowles and Hall, without costs.

Chester W. Witters, for the orator.

Luke P. Poland and *Albert P. Cross*, for the defendant Burton.

Schumacher & Ettlinger v. Schwenoke.

SCHUMACHER & ETTLINGER

vs.

OSCAR L. SCHWENOKE, JR., AND HENRY PFITZMAYER. IN
EQUITY.

A copyright for a painting is infringed by a lithographic print thereof, and the owner of the copyright does not, by publishing lithographic copies of the painting, lose his right to restrain others from copying those copies.

(Before COXE, J., Southern District of New York, May 4th, 1887.)

COXE, J. In November, 1885, this cause was before the Court upon a motion for a preliminary injunction. (28 *Blatchf. C. C. R.*, 373.) It is now presented on final hearing, the facts being substantially the same as before. The defendants do not re-argue the questions heretofore passed upon, but rest their defence upon propositions of law not before presented to the Court.

The facts out of which this controversy arose are stated sufficiently in the opinion sustaining the motion for a preliminary injunction. There is but one additional piece of evidence to which it is necessary to advert.

It now appears that the defendants did not copy directly from the painting, but from lithographic copies thereof put in circulation by the complainants. The original painting, which is the subject of the copyright, the defendants never saw. The defendants now contend: *first*, that the law recognizes a distinction between a painting and a print, and a copyright for a painting cannot be infringed by a lithographic print thereof which is itself the subject of a copyright; and, *second*, that the complainants, having published a large number of lithographic copies of the painting, have lost the right to restrain others from copying these copies.

Although the precise question here involved does not

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seem to have been the subject of judicial decision, it is thought that, unless the intent and purpose of the statute is to be rendered nugatory, but one answer is possible. The complainants have a valid copyright for their painting. This, for the purposes of the argument, is conceded. What benefit is thus secured? Manifestly, under the plain language of the law, "the sole liberty * * * of copying * * * and vending the same." What the complainants and the defendants have done is to make and sell exact lithographic copies of this painting. In size, design and coloring they are precisely like the original, so that a few feet distant it is almost impossible to detect any difference between the three. The complainants' copies have the notice required by law printed thereon. It would be a strained construction to hold that the statute only protected the sale of copies made in precisely the same manner as the original. It will hardly do to say that a water-color is not infringed by an oil, or a crayon, or a lithographic fac-simile. The statute is not so technical. Its design is to give substantial and not merely a fanciful protection. If the contention of the defendants is well founded the complainants gained nothing by their copyright. The moment they sought to avail themselves of the advantages of the statute by the sale of copies, that moment they lost the only right which was of value. It was abandoned to the public. Thus construed, the law becomes a mere abstraction, affording, in cases like this, no protection whatever. It by no means follows, from the fact that the law recognizes a distinction between a painting and a print, that a copyright for the former will not protect its owner in the sale of copies thereof, even though they may, appropriately, be called prints.

It is clear that the defendants are wrong-doers. They have invaded the complainants' territory. They have copied the painting. It is immaterial how this was accomplished, whether directly or indirectly. They have copied a lithograph which was protected by the complainants' copyright. They have attempted unlawfully, and without due recom-

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pense, to reap the fruits of the complainants' genius and enterprise.

The complainants are entitled to a decree for an injunction, with costs.

Allen, Talmage & Allen and Augustus T. Gurlitz, for the plaintiffs.

Louis C. Raegener, for the defendants.

DANA ESTES AND OTHERS

vs.

RICHARD WORTHINGTON. IN EQUITY.

The title "Chatterbox," as designating a series of books of a juvenile character, is a valid trade-mark.

(Before SHIPMAN, J., Southern District of New York, May 10th, 1887.)

SHIPMAN, J. This is a bill in equity, to restrain the defendant from the infringing use of the plaintiffs' title "Chatterbox," the said word being alleged to be a well known trade-mark of the plaintiffs, as assignees of James Johnston, and designating a well known series of books of a juvenile character, which are compiled by the said Johnston and are published in this country by the plaintiffs, and it being alleged that the defendant has imprinted the same trade-mark upon his juvenile publications of substantially the same class, style and character as those made and issued by said Johnston and the plaintiffs.

The most important facts in the case are stated in the opinions of this Court in the similar cases of *Estes v. Wil-*

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liams, (22 *Blatchf. C. C. R.*, 364,) and *Estes v. Leslie*, (23 *Id.*, 476.)

In addition to the fact that James Johnston assigned to the plaintiffs the exclusive use in this country and in Canada of the name "Chatterbox," for the term of ten years from January 1st, 1880, he also agreed to furnish for said ten years, and has furnished, to the plaintiffs, since the date of said agreement, duplicate electrotypes plates of all his juvenile books bearing the name "Chatterbox," which books bearing said name, and containing the same illustrations and reading matter, have been issued simultaneously in London by the said Johnston, and in Boston by the plaintiffs. In 1884, the agreement was modified, so as to provide that the privileges previously assigned and promised should be enjoyed for such time as the plaintiffs should pay therefor £1,000 per annum.

Johnston was the originator, in the year 1866, of the title "Chatterbox," upon a continuous, annual series of books, which he caused to be compiled, containing illustrations and stories of a class and style adapted to young persons; his series called "Chatterbox" has become widely known and very popular in England and in this country, and his "Chatterbox" books have had a distinctive title or name, appearance, style and manner of cover and of printing, which caused them to be universally recognized as the books which had attained and had maintained a well known and highly appreciated character.

The effort of the defendant to show that the title "Chatterbox" had been appropriated, before Johnston's time, to a series of publications or works of a juvenile character, has failed. In 1852, a monthly newspaper, of an unrefined and coarse character, called the "Chatteris Chatterbox," was published for two successive months in the English town of Chatteris. It was not designed for the use of the young. Miss Jane Taylor and her sister Miss Ann Taylor published, in the year 1807, in a volume of poems called "Original Poems for Infant Minds," a poem of five verses, called "The

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Chatterbox;" and a book published in this country in 1861, called "The Favorite Scholar," contained a prose story called "Little Chatterbox." These instances of the use of the word do not show an appropriation of the name to a series of books of juvenile character, for the purpose of characterizing the series, as the name was applied by Johnston.

By association, this title, when used upon juvenile books of illustrations and stories, pointed "distinctively to the origin or ownership" of the books to which it was applied, and the name has acquired "an understood reference" to the English series, whose character had become widely known. (*Canal Co. v. Clark*, 13 Wall., 311; *Manufacturing Co. v. Trainer*, 101 U. S., 51.)

The defendant has published, or caused to be published, divers juvenile books, of which "Complainants' Exhibit Worthington Chatterbox," A to K, are examples, which bear upon the covers the name or title "Chatterbox," and which, some in a greater degree than others, strive to imitate the external appearance and the general style and manner of cover of the plaintiffs' books, and simulate the appearance and decoration of the plaintiffs' Chatterbox series, but do not contain the contents of their books. Such use of the name, especially as it is coupled with an imitation of the general external appearance, manner of cover and of decoration of the plaintiffs' books, shows clearly that the defendant has unfairly attempted to make use of the reputation which the Johnston series had acquired, by deceiving the public into the belief that, in purchasing the defendant's books, it was buying the compilations which Johnston had rendered acceptable and popular. Instead of acquiring for himself a reputation by the skill, good taste and superiority of his own compilations, the defendant has endeavored, by the unwarranted use of the name which Johnston had appropriated, to obtain some portion of the pecuniary advantage which belongs to the reputation which the latter had gained.

The use by the defendant of the name "Chatterbox" upon the books which are represented by the plaintiffs' exhibits in

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this case, or upon similar books of a juvenile character, of the general appearance and style of the plaintiffs' books, and from presenting to the public for sale juvenile publications with the use of the title "Chatterbox," and thereby leading the public to believe that they are the publications of the plaintiffs, should be enjoined.

John L. S. Roberts and George G. Frelinghuysen, for the plaintiffs.

George A. Black, for the defendant.

MICHAELIS SIMONSON AND OTHERS

vs.

EBEN D. JORDAN AND OTHERS.

An action was commenced in a State Court February 10th, 1887. The defendant's time to answer would have expired March 2d, but, by stipulation, the time to answer was extended to March 30th. A petition and bond for removal were filed April 8th: *Held*, that, under § 3 of the removal Act, as amended by the Act of March 3d, 1887, (23 U. S. Stat. at Large, 553,) the petition was filed too late, not having been filed at the time the defendant was "required, by the laws of the State or the rule of the State Court," to answer to the complaint.

(Before WALLACE, J., Southern District of New York, May 10th, 1887.)

WALLACE, J. This is a motion to remand upon the ground that the petition for removal was not filed at the time the defendant was "required, by the laws of the State or the rule of the State Court," to answer to the complaint, as provided by section 3 of the removal Act, as amended by the Act of March 3d, 1887, (23 U. S. Stat. at Large, 553.)

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The action was commenced in the State Court February 10th, 1887; the defendants' time to answer would have expired March 2d, but, by stipulation, the time to answer was extended until March 30th; the petition and bond for removal were not filed until April 8th.

It is insisted in opposition to the motion, that the time to answer had expired when the new removal Act was passed, and that the Act should not be construed retroactively, to apply to a pending action which it was too late to remove, because such a construction would deprive the defendant of the right to remove his action. Even though such a consequence might follow, the question would be one of interpretation, and not of power to restrict or to abrogate such a right. (*Insurance Co. v. Ritchie*, 5 Wall., 541; *Ex parte McCardle*, 7 Wall., 506; *United States v. Tynen*, 11 Wall., 88.) But the new Act did not destroy the right of the defendant to remove his case to this Court. By the rules of practice of the State Court he was not required to answer until the expiration of the time allowed by the stipulation made in the action. Although, ordinarily, a defendant must answer within twenty days, this time may be extended by the Court for good cause shown, or by consent of parties. When so extended, the ordinary time to answer is enlarged, and, as so enlarged, is the time within which the defendant is required to answer. If the defendant had filed his petition for removal at the time of answering the plaintiffs' complaint, or at any time between March 3d and that time, he would have complied with the Act.

The motion to remand is granted.

Evarts, Choate & Beaman, for the plaintiffs.

Stern & Myers, for the defendant.

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FRANK CURTISS vs. JOHN HURD. IN EQUITY.

A representation by the president of a joint-stock business association, which is, in legal effect, a partnership, with a capital divided into shares, that it is a corporation, made to a person who purchases shares from such president on the faith of such representation, is not a representation of a matter of substance, so as to furnish ground for a rescission of the contract of purchase.

(Before WALLACE, J., Southern District of New York, May 10th, 1887.)

WALLACE, J. Complainant sues to obtain a rescission of a purchase of one hundred shares of stock in the Housatonic Rolling Stock Company, bought by him in August, 1882, and for which he paid the sum of \$4,250, alleging that he was induced to make the purchase by the misrepresentations of the defendant, who was the president of the company. The bill alleges that various misrepresentations were made to the complainant by the defendant, which were the inducing cause of the purchase of the stock. The proofs, however, are such that it is only necessary to consider whether there was such a misrepresentation respecting the corporate organization of the Housatonic Rolling Stock Company as entitles him to the relief sought.

The Housatonic Rolling Stock Company was not an incorporated company. It was an association which was, in legal effect, a partnership, formed by the defendant and several others, in October, 1881, for the purpose of buying, building, leasing and running railroad cars under the name and style of the Housatonic Rolling Stock Company. By the articles of the association, the legal title of the property was vested in a board of trustees, (who were named,) and their successors, who were to have the sole custody and management of the business and property of the association, with power to appoint its officers. The amount of capital to be contributed was not fixed by the articles of association, although the cap-

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ital stock was divided into shares and each associate subscribed for a specified number of shares. The capital was represented by cars. From time to time the defendant delivered cars to the company, and thereupon scrip for shares, as an equivalent, was issued by the company. At the time the complainant became a stockholder the company owned 1,644 cars, and had issued scrip for 27,440 shares, of the nominal value of \$100 each. The articles of association made acceptance of a certificate of shares conclusive evidence of the assent of the holder to all the provisions of the articles. They provided for regular meetings of the shareholders, but gave the shareholders no right to vote without the consent of the trustees. In short, the company was an association of individuals organized in the form and with the ordinary machinery of a corporation; but it was not a corporation, because no attempt was made to comply with the laws of the State of Michigan, where the association was organized, in respect to the formation of corporations. The conditions of the association made the trustees a self-appointing body, gave them unlimited powers, and placed the shareholders at their mercy.

The proofs show that the complainant was led by the statements of one Trubee, a friend of his, to suppose that an investment in the stock of the company would be very remunerative, because other rolling stock companies which had been organized and managed by the defendant had been so, and that handsome dividends could be expected upon stock which could be obtained for not far from 40 cents on the dollar. Soon afterwards complainant was taken by Trubee to the office of the defendant, and introduced by Trubee to the defendant as a person who wanted information about the company. The defendant understood that the complainant might become a purchaser of some stock. At the interview which then took place there was considerable conversation about rolling stock companies in general, and how they had paid large returns upon capital invested, and could do business with very little risk of loss. Speaking of the present

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company, the defendant stated that it was well under way, and that most of the cars were rented; that the prospects of the company were good; that a similar company organized by him previously had paid seventy *per cent.* in three years; that he was the president of a number of rolling stock companies; that he thought this was really the best that he had ever had anything to do with; that the stockholders of the other companies had always been satisfied; that he thought the stockholders of this one would be; and that the company had already earned dividends, one of which would be paid in a short time. The complainant asked the defendant how it was that the company could put out its stock at forty cents on the dollar, and the defendant said it could do so because it was organized under the laws of Michigan. A few days after this interview the complainant wrote Trubee to ascertain the price at which the stock could be purchased, and Trubee informed him, in reply, that it could be bought for forty-two and one-half cents on the dollar. Thereupon the complainant instructed Trubee to buy one hundred shares and sent him his check for the amount. In fact, Trubee bought the stock of the defendant for forty cents on the dollar and kept \$250 of the proceeds of complainant's check for himself. The defendant had a certificate prepared for the complainant, and delivered it to Trubee, who sent it to the complainant. This certificate recited that complainant was entitled to "one hundred shares, of \$100 each, of full paid stock, in the association called the Housatonic Rolling Stock Company, transferable only on the books of the association, in person or by attorney, in accordance with the articles, by-laws and regulations." It contained also this recital: "The holder of each share, when transferred as above provided, is subject to all the liabilities and provisions, and is entitled to all the privileges of a member, as fully as if he had signed the original articles of association."

The complainant first learned that the company was not incorporated under the laws of Michigan in the fall of 1884. Soon thereafter he tendered to the defendant an assignment

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of the scrip, with the dividends he had received upon the stock, and brought this suit. The proofs do not show any intent to deceive or defraud on the part of the defendant. He had some of the stock to dispose of, and doubtless presented the prospects of the company in as attractive an aspect as he fairly could ; but he did not hold out any special inducements to the complainant to buy, and made no misrepresentation about the financial condition of the company. He was not asked any question calling for specific information about the amount or value of the property or about the expenses or income of the company ; nor was he asked any question about the character of the organization or the rights or liabilities of shareholders. The company was upon a prosperous footing at the time, and there is nothing to show that the statements made by him about its condition and prospects were not warranted by the facts. When he transferred the stock he did not know that Trubee had represented to the complainant that the price was \$4,250, nor did he know what price the complainant paid Trubee for it, although Trubee, to excuse his own conduct, testifies to the contrary. He knew that the stock was going to the complainant, but did not concern himself with any inquiry whether Trubee was buying it as agent for the complainant, or for himself as a vendor to the complainant. This view of the facts has not been influenced by the testimony of the defendant himself, which, so far from strengthening his own case, has only tended to prejudice it. It is apparent, from the complainant's own narrative, that he was led to buy the stock because he believed that rolling stock companies generally had been profitable, and, therefore, that this one was likely to be, rather than because he relied upon any special facts respecting the company stated by the defendant. He is probably mistaken in asserting that the defendant told him that the capital stock of the company was \$1,000,000, or anything to that effect. His impression upon this point is probably derived from the recital, in his certificate, of the amount of capital stock. He admits that, about two months after he made the purchase,

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he met the defendant and was then informed by him that the company issued stock as cars were "put in," and that his stock represented cars put in at the time he bought it of defendant. About a year after the purchase he was again fully informed by the defendant of the manner in which the trustees of the company were accustomed to issue stock for cars from time to time. He made no charge of misrepresentation when he received these explanations, and it is improbable that he would not have done so, or that he would have taken no steps to rescind his purchase, if what was thus stated had been a surprise to him. At the time of the purchase he believed that the stock would yield dividends of 6 *per cent.*, and consequently that an investment in it would return about 14 *per cent.* He was allured by his expectations into making an investment without any adequate investigation or inquiry respecting the conditions and chances. But he undoubtedly did suppose that the company was an ordinary corporation or joint-stock company, organized under the laws of Michigan. The name by which it was styled, and the conversation with the defendant about capital stock, shareholders, and dividends, naturally suggested this. So did the certificate which he received. A more vicious scheme of association, or a more loose and lawless system of administration, than was adopted by the promoters and managers of this company for administering its affairs, can hardly be conceived. It is difficult to believe that they could have induced any person outside their own circle, who was informed of the powers entrusted to them and of the business methods of the company, to invest his money in the shares. Slight evidence of corrupt administration would suffice to create the belief that the scheme was intended as a fraud at its inception. But the proofs are destitute of any evidence to show that the interests of the shareholders were subordinated to those of the managers. On the contrary, the proofs show that the affairs of the company were honestly managed, and, had it not been for circumstances beyond the control of the managers, there is no doubt that the shareholders would have

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continued to receive large dividends upon their investments. A report of a committee of stockholders, made after an examination of the affairs of the company in June, 1885, has been introduced in evidence by the complainant, which shows that the powers conferred by the articles of association upon the trustees had not been abused, and that the intermission of dividends was mainly caused by the failure to collect moneys due from the railroad companies, which were suffering from the general depression of railroad business.

These facts do not furnish an adequate basis for a rescission of the complainant's purchase. A purchaser cannot expect a Court of equity to decree him a rescission merely because he is able to show that his purchase has not turned out to be what he supposed he was buying. He must rely upon proof of deceit or misrepresentation on the part of the vendor, or upon a case of mutual mistake, going to the essence of the contract. Any right to relief in the present case must rest upon the ground that the complainant has been misled by the fraudulent suppression or the misrepresentation by the defendant of some matter of substance. As has been said, there was no intent to deceive or mislead on the part of the defendant. If there was any misrepresentation, it is to be found in his statements respecting the corporate character of the company, vague and incidental statements, which are also contained in the certificate of shares received by the complainant. If these statements furnish adequate ground for a rescission, every purchaser of stock in the company, who may have bought without making inquiry, or without special information about the terms and conditions of the articles of association, may also insist upon a rescission.

If the defendant has made a material misrepresentation, the complainant is not to be precluded from relief merely because the defendant did not intend to defraud. In such cases, Courts of equity will relieve the purchaser, although the misrepresentations were innocently made by the vendor. (*Smith v. Reese River Co., L. R., 2 Eq., 264*; *Kennedy v.*

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Panama Co., L. R., 2 Q. B., 580; Peek v. Gurney, L. R., 13 Eq., 79, 113.) A vendor cannot be heard to say that he knew nothing of the truth or falsehood of that which he has represented, and claim to retain any benefit derived from the sale, when the representations turn out to be untrue. (Turner, L. J., in *Rawlins v. Wickham*, 3 *De G. & J.*, 304, 317.)

On the other hand, if the misrepresentation was a trifling or immaterial thing, or if it was vague and inconclusive in its nature, or if the complainant did not trust to it or was not misled by it, or if it was upon matter of opinion or of a fact equally open to the inquiries of both parties, and in regard to which neither could be presumed to trust the other, a Court of equity will not interfere.

Looking at the case in the most favorable aspect possible for the complainant, and treating it as one where he was induced to purchase the stock upon the defendant's representation that the company was an incorporated company organized under the laws of Michigan, it must be held that the complainant is without remedy. Such a representation, without more, is not of a matter of substance. It is too colorless and indefinite to be the foundation of a cause of action. The fact that a business concern is incorporated is of little moment, unless the charter or the organic law confers some valuable privileges or immunities upon the members. A trading association may be but a mere partnership; or it may have corporate powers to a small extent and *sub modo*; or it may be invested with corporate functions to a considerable and yet limited extent; or it may exist with all the incidental functions and peculiar privileges which a grant of unconditional corporate power confers. There are and have been many joint-stock associations of different kinds, including banking companies, which have never been legally incorporated, and which are mere partnerships as to every person except their own stockholders. One, if not the principal, inducement which leads such companies to seek corporate organization, is to limit the risk of the partners, and to render

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definite the extent of their hazard. But there are many corporations in which, by their organic law, the members are liable for the debts to the same extent as the members of an ordinary partnership. In some there is a limited joint and several liability, to the extent of the par value of the stock of each shareholder, and in others a personal liability for such sum as the proportion of each to the whole outstanding stock bears to the outstanding debts of the corporation. (See *Thompson's Liability of Stockholders*, sec. 45.) Where there is not a limited liability of the members, or unless the corporation is one which is invested by the State with special privileges, incorporation is only valuable as a mode of organization which may conduce to the convenience of business management. Such are the facilities afforded by the laws of most of our States, that the privileges of corporate organization are within the reach of almost any business concern, and can be obtained as a matter of course, for a trifling outlay. It follows that a representation that an association is incorporated, without more, is no more than saying that it has been authorized by legislative authority to do what it could do practically, and what an infinite variety of associations are doing without such authority. It is true that, as a general rule, the shareholder of a corporation is not held to the liabilities of a member of an ordinary partnership for the debts of the concern, and a purchaser of shares does not expect to incur such a liability as a consequence of his purchase. But it cannot be affirmed that a purchaser of shares who buys without inquiry as to the character of the corporation of which he proposes to become a member, or as to the nature of the liability of the stockholders, has any legal right to complain if he finds, after he has purchased, that the stockholders are liable for all the debts of the concern. No authority for such a proposition has been cited by counsel. If it can be maintained, it can only be done by importing an implied warranty against such a liability into every sale of shares in a corporation. No such exception to the rule of *caveat emptor* is known to the law.

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Having reached the conclusion that there is no ground for the relief sought by the complainant, because there was no deceit or misrepresentation as to any matter of substance, by which he was induced to purchase the stock, it is not necessary to consider whether he acted with sufficient promptitude in attempting to rescind, or whether upon other grounds his case is such as to preclude relief.

The bill is dismissed.

George Zabriskie, for the plaintiff.

L. B. Bunnell, for the defendant.

THEOPHILUS P. BROWN

vs.

THE AMERICAN FINANCE COMPANY AND OTHERS. IN EQUITY.

A contract for the loan of money, valid by the law of Rhode Island, where it was made, is not affected by the fact that the notes evidencing the loan were made payable in New York, by the law of which State the contract would have been void for usury.

(Before WALLACE, J., Southern District of New York, May 12th, 1887.)

WALLACE, J. The relief sought by the bill is, among other things, (1) the cancellation of a contract of the date of April 14th, 1884, entered into between the complainant and the defendant the American Finance Company, or that the agreement be reformed; (2) that an agreement of the date of September 24th, 1884, between the complainant, party of the first part, the defendant, the American Finance Company, party of the second part, and the defendants Mason and Jillson, parties of the third part, be adjudged to be

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usurious and void and surrendered up for cancellation; (3) that certain notes executed by the complainant pursuant to the agreement last mentioned be adjudged usurious and void and surrendered for cancellation; (4) that the defendants be restrained from selling or negotiating certain railway mortgage bonds received as a pledge to secure the payment of the notes, and be decreed to deliver the same to the complainant.

A motion has been made to restrain the defendants *pendente lite* from doing any of the acts which are sought to be permanently enjoined by the prayer of the bill. Since the motion was heard an adjustment has been made between the parties, except as between the complainant and the defendant the American Finance Company, with the result, as stated in the brief of counsel, to narrow the original matters of the bill to a controversy between the complainant and the Finance Company in respect to one note for \$10,000 and one hundred and two bonds for one thousand dollars each. The defendant derives title to the note and to twenty-two of the bonds in question from Mason and Jillson, who acquired the same from the complainant, to secure the payment of the loan contemplated by the agreement of September 24th, 1884. Its title to the remaining eighty bonds is derived by the same agreement but not from Mason and Jillson.

The agreement of September 24th, 1884, known as the tripartite agreement, was intended by the parties to be in further performance of the agreement of April 14th, 1884. It is idle for either party to assert mistake or misrepresentation as a ground for assailing the rights of the other under either agreement, upon any facts which have thus far been made to appear. Those who entered into these agreements were shrewd business men, speculators on both sides, who did not commit themselves without a full understanding of the situation. By these agreements the complainant was recognized as the beneficial owner of all the bonds and stock of the Toledo and Indianapolis Railway Company, not appropriated as a bonus by Mason and Jillson, or as commissions by the

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Finance Company, and became entitled to a corresponding amount of the securities of the new corporation which the parties contemplated organizing. Whether under the tripartite agreement the Finance Company was to be treated as the absolute owner of \$80,000 of the bonds, in satisfaction of any claim it might be entitled to make, growing out of the first contract, or whether it was to hold these bonds until it should negotiate the bonds of the complainant at not less than ninety cents on the dollar, under the conditions of that agreement, and then have absolute title, would not be altogether clear, were it not for the letter of the president of the Finance Company to the complainant, of the date of September 16th, 1884. In view of that letter it seems reasonably plain that it was the understanding of the parties, as expressed in the tripartite agreement, that the Finance Company should acquire the absolute title to the bonds, in consideration of services already performed. This conclusion disposes of the controversy so far as it relates to eighty of the bonds.

The Finance Company has no title to the remaining twenty-two bonds, if the note made by the complainant pursuant to the scheme of the tripartite agreement is void for usury. Twenty of the bonds were acquired by Mason and Jillson as a pledge to secure payment of the note, and the other two were "appropriated" as a bonus for the loan evidenced by the note. The note purports to be made at New York, is dated September 24th, 1884, is signed by the complainant, and reads as follows: "On or before September 24, 1886, and upon the return of securities pledged, I promise to pay to my own order, at the office of the American Loan & Trust Company, New York, ten thousand dollars, for value received, with interest at the rate of six *per cent.* per annum from date, payable semi-annually, having deposited with the holder thereof, as collateral security, twenty first mortgage bonds of the Toledo and Indianapolis Railway Company, for \$1,000 each, with coupons for April 1, 1885, with authority to sell the same, or other securities subsequently substituted, at the board of brokers, or at public or private sale, at

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holder's option, on the non-performance of this promise, and without further notice; applying the net proceeds to the payment of this note, including interest, and accounting to me for the surplus, if any. In case of deficiency the maker promises to pay to the holders thereof the amount thereof, forthwith after such sale, with legal interest."

On the 24th day of September, 1884, the plaintiff signed and delivered to the president of the Finance Company, at Providence, Rhode Island, a number of notes of the same tenor, for the aggregate amount of \$325,000. This note was one of the series. They were made to secure the payment of a loan to that amount which Mason and Jillson had consented to make to the complainant upon the conditions expressed in the tripartite agreement. By that agreement, Mason and Jillson promised to loan \$325,000 to the complainant upon his notes, to be made in form approved by them, with mortgage bonds of the Toledo and Indianapolis Railway Company, in double the amount, as collateral. For making the loan they were to receive a large bonus in excess of interest at the rate of six *per cent.* per annum. The negotiations leading to the contract were closed at Providence, Rhode Island, that being the domicile of Mason and Jillson, and the contract was formally executed there. After the contract was signed the notes were delivered there by the plaintiff to Mason and Jillson. The bonds to be put up as collateral were not delivered. It was understood between the parties, that the complainant did not then have the bonds, but that they were to be acquired subsequently, and that the money to be loaned by Mason and Jillson was to be remitted by them to the Finance Company in New York city, to be used by that company for the purpose of acquiring the bonds. The bonds at that time were in the hands of various corporations and individuals, who had supplied materials for furnishing and equipping the railway which had been recently constructed by the Toledo and Indianapolis Railway Company. One Dowling had been the contractor for building the railway, and, under his contract with the railway company, became entitled to all the

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bonds (\$800,000 in amount) and capital stock of the railway company, upon payment of the claims of those to whom the bonds had been pledged. The complainant had acquired Dowling's rights, and had applied to the Finance Company to assist him in raising money to pay up the claims of those to whom the bonds were pledged, and the other claims against the railway company, his intention being to acquire all the capital stock and mortgage bonds of the railway company and to organize a new corporation. The complainant and the Finance Company had entered into an agreement bearing date April 14th, 1884, by which the latter, for certain commissions, undertook to raise the necessary means for the complainant to effect this object. As has been stated, the tripartite agreement was understood by all the parties to it to be supplementary to the April agreement between the complainant and the Finance Company, and was entered into in order to enable the Finance Company to carry out the terms of the April agreement with the complainant, so far as new conditions were not substituted in the new contract. The parties contemplated that the Finance Company should occupy the relation of an intermediary or trustee *sub modo* between the complainant and Mason and Jillson, for the protection of the rights of all, and it was understood that Mason and Jillson should remit moneys to the Finance Company, from time to time, when necessary to enable that company to settle with the creditors of the Toledo and Indianapolis Railway Company, and acquire their claims and the bonds, and that the Finance Company should hold the claims as a trust fund and cancel them upon the payment of the loan. Apparently, by the scheme contemplated, the Finance Company was to hold all the bonds acquired until they were exchanged for bonds of the new corporation which was to be created, unless it should be found desirable to negotiate the complainant's notes, or some of them, with the bonds as collateral, to enable Mason and Jillson to make advances, or unless, in the meantime, the complainant might desire to sell

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his portion of them and use the proceeds for the payment of the loan.

It is conceded by counsel for both parties that the loan was made upon an usurious consideration if the agreement was a New York contract, that is, if its legality is to be tested by the law of New York. The agreement was not usurious if it was a Rhode Island contract. The argument for the plaintiff is, that it is a New York contract because the notes are payable in New York, and because New York is the place of the substantial performance of the controlling provisions of the tripartite agreement. The argument for the defendant is, that it is a Rhode Island contract, because the notes and contract were made in Rhode Island and the notes were negotiated there.

There was no purpose on the part of any of the parties, in making the contract in Rhode Island, to evade the usury laws of New York. The complainant was a citizen of Ohio and came to Providence because the defendants lived there, and the negotiations were closed and the instrument formally executed there, and the notes were delivered there, as a matter of business convenience.

It does not seem to be necessary to enter upon a discussion of the subject of the *lex loci contractus*, as determined by the place of the making or the place of the contemplated performance of a contract. The general rules which control, and their exceptions, are familiar, but the books are full of conflicting illustrations of their application to the particular case.

The primary rule is, that the validity of a contract is to be determined by the law of the State in which it is made; if it is valid there, it is deemed valid everywhere, and will sustain an action in the Courts of a State whose laws do not permit such a contract. (*Soudder v. Union National Bank*, 91 U. S., 406.) If the contract is not in itself immoral, although it is expressly prohibited by the statutes of the State in which the suit is brought, the Courts, administering the comity of the State, will not refuse to enforce such a contract made by

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one of its own citizens in a State the laws of which permit the contract. (*Greenwood v. Curtis*, 6 *Mass.*, 358; *McIntyre v. Parks*, 3 *Met.*, 207; *Akers v. Demond*, 103 *Mass.*, 318.) The principal exception to the rule that a contract is to be governed, as to its interpretation, its nature, its obligation, and its performance or dissolution, by the law of the place where it is made, is, that the law of the place where it is to be performed will govern the mode of performance, because it is presumed that the parties had this law in contemplation when they entered into the contract. Inasmuch as this exception rests upon the presumed intention of the parties to conform to the rule of the local law in carrying the contract into effect, it seems strange that it should ever have been treated as the criterion by which to ascertain whether the obligation is void for illegality. Phillimore says, that, as it rests "upon the presumption that the obligor has voluntarily submitted himself to a particular local law, that presumption may be rebutted, either by an express declaration to the contrary, or by the fact that the obligation is illegal by that particular law, though legal by another. The parties cannot be presumed to have contemplated a law which would defeat their engagements." (4 *Int. Law*, sec. *DCLIV*, p. 471.)

Generally, the place of performance of a contract, when the contract is a promise to pay money, is the place where the payment is to be made. Yet this is not always controlling, and in some cases the Courts which have looked to the place of performance as the place of the contract treat the place of payment as an incidental circumstance, and look behind the written instrument to ascertain what place the parties had in mind as the place of the contract. (*Wayne Co. Savings Bank v. Low*, 81 *N. Y.*, 566; *Western Transportation & Coal Co. v. Kilderhouse*, 87 *N. Y.*, 430.) In both of these cases the State where the parties agreed upon the terms of a loan was held the place of the contract, when an agreement to pay interest would have been usurious by the law of the State in which the note evidencing the loan was made payable.

Without pursuing the general subject further, it suffices,

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that, when the question is whether a contract is void for usury or not, the weight of authority is now decidedly to the effect, that the parties to a loan, who contract in one State and provide for payment in another, may lawfully stipulate for interest according to the law of either State, that where the contract is made, or that where the money loaned is to be repaid, as they may in good faith agree. (*Depau v. Humphreys*, 8 *Martin*, N. S., 1; *Chapman v. Robertson*, 6 *Paige*, 627; *Peck v. Mayo*, 14 *Vt.*, 33; *Townsend v. Riley*, 46 *N. H.*, 300; *Kilgore v. Dempsey*, 25 *Ohio St.*, 413; *Arnold v. Potter*, 22 *Iowa*, 194.) In *Miller v. Tiffany*, (1 *Wall.*, 298, 310,) Mr. Justice Swayne, delivering the opinion, uses this language: "The general principle in relation to contracts made in one place to be performed in another is well settled. They are to be governed by the law of the place of performance, and if the interest allowed by the law of the place of performance is higher than that permitted at the place of contract, the parties may stipulate for the higher interest without incurring the penalties of usury. The converse of this proposition is also well settled. If the rate of interest be higher at the place of contract than at the place of performance, the parties may lawfully contract, in that case also, for the higher rate. These rules are subject to the qualification, that the parties act in good faith, and that the form of the transaction is not adopted to disguise its real character."

Adopting these decisions as controlling in the present case, it must be held that the contract here, being valid by the law of Rhode Island where it was made, is not affected by the fact that the notes evidencing the loan were made payable in New York city.

The motion is, therefore, denied.

Burton N. Harrison, for the plaintiff.

Robert L. Fowler, for the defendants.

La Rue v. The Western Electric Company.

GEORGE W. LA RUE

vs.

THE WESTERN ELECTRIC COMPANY. IN EQUITY.

Claim 3 of letters patent No. 270,767, granted to Edgar A. Edwards, January 16th, 1883, for an improvement in instruments used for transmitting telegraphic signals, namely, "(3.) The combination, in a telegraph key, of the lever, fulcrumed upon the torsional spring, with the adjusting screws H H', for regulating the amplitude of the lever movement and the retractile resistance of the torsion spring, substantially as described," is not void for lack of utility or of invention, and covers the use of the combination set forth, in a telegraph sounder.

(Before COXE, J., Southern District of New York, May 16th, 1887.)

COXE, J. This is an equity action for infringement of letters patent, No. 270,767, granted to Edgar A. Edwards, January 16th, 1883, and by him assigned to the complainant. The invention relates to instruments used for transmitting telegraphic signals, and is said to be an improvement upon the well known Morse key, the inventor substituting, as the lever fulcrum, a torsional spring or strip of metal for the trunnions or pivots which were before in use. The patent contains four claims. In the first, second and fourth "the circuit-breaking lever" is distinctly made an ingredient of the combination. The third claim is in these words: "3. The combination, in a telegraph key, of the lever fulcrumed upon the torsional spring, with the adjusting screws H H', for regulating the amplitude of the lever movement and the retractile resistance of the torsion spring, substantially as described." It will be observed that this claim omits "the circuit-breaking lever" as an element and in this respect is broader than the other three. The infringing instrument is called a "sounder" and contains no "circuit-breaking lever," as this term is generally understood in the art. The complainant, however,

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insists that the sounder has a lever which breaks, not an electric, but a magnetic circuit, and is, therefore, within all the claims of the patent. What the patentee invented and unquestionably intended to secure was a flat torsional spring, ribbed or otherwise, upon which a lever is fulcrumed, when, in any electrical instrument, it can be substituted for the pre-existing trunnions and spiral spring and perform the twofold function of a supporting fulcrum and retractive spring. He distinctly says that he does not limit himself to the application of the spring to the key alone, as it is obvious that it may be used to replace the trunnions of the relay and sounder. He may, however, have so restricted three of his claims that they do not cover the instrument used by the defendants. It is not essential, in the present action, to decide this question. If it is held that the third claim is infringed the complainant will derive the same advantage as if the decree declared the infringement of all.

The defendants insist that the patent is void for want of utility and invention and that they do not infringe. But a word need be said regarding the first defence. Several instruments embodying the invention have gone into practical operation and have, apparently, been received with favor by telegraphists. In fact it appears that an employé of the defendants, Charles D. Haskins, has, since the commencement of this suit, secured a patent, dated November 9th, 1886, for an improvement in telegraph receiving instruments, one element of the combination being a torsional spring substantially identical with the patented spring, the only difference being in the manner in which it is fastened to the lever. This patent was assigned to the defendants. It can hardly be said, then, that Edwards' invention is without utility. That which is used is useful. A thing to be useless can have no utility whatever. A patent is never declared invalid upon this ground, at the instance of one who is deriving benefit by infringing upon its claims. (*Gibbs v. Hoefner*, 22 *Blatchf. C. C. R.*, 36, and cases cited.)

Is the patent void for lack of invention? The defendants,

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for the purpose of illustrating the art at the date of the invention, have introduced in evidence a number of exhibits showing the manner in which telegraph keys were constructed prior thereto. It is unnecessary to refer to these, as they do not contain the torsional spring, and add very little to the light thrown upon the prior art by the statements of the patent itself. The exhibits which are the nearest approach to the invention are the magnetic "pole changer" and the "adjustable torsional spring." In the "pole changer," first known in 1881, there is a lever which oscillates between fixed points and is fulcrumed upon the free end of a non-adjustable torsional spring. The principal office of this spring is to form a supporting fulcrum for the armature lever. The retractile force exerted by it is very slight. If one of the supporting posts in the patented apparatus were removed, its similarity to the "pole changer" would be more apparent. The "adjustable torsional spring" exhibit is an enlarged model of an instrument made by one of the witnesses in 1878. It consists of a fine wire connected at each end to adjustable brackets, a lever being suspended in the centre of the wire. It is not the purpose of the wire to cause repeated and regular oscillations of the ends of the lever. That it performs any torsional function is strenuously disputed. The wire is very fine and, as its ends are not firmly fastened, but to some extent are permitted to rotate in the holes of the brackets, it is not easy to see how it can be twisted to exert any appreciable force. It is enough to say that the matter is involved in doubt. Neither of these exhibits can be said to anticipate or otherwise to defeat the patent. It follows, therefore, that the patentee has made an invention, not a great one, certainly, but one entitling him to a position far above the plane of the skilled mechanic. Torsional springs were, of course, well known; so were telegraph keys and sounders, minus this spring, but the combination of the patent was never before used, and there is nothing in the prior art to suggest it, except to an inventor; to one who was a skilled artisan only it would never have occurred.

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Do the defendants infringe? They argue in the negative, for the reason that the combination of the third claim is confined to a telegraph key, and, by implication, to a "circuit-breaking lever," and, as they use the combination in a telegraph sounder and not in a key, they do not infringe. They insist further that they do not employ the adjusting screws H H'. In regard to the latter suggestion the defendants' expert testifies: "I find two adjusting screws, having a relation to the lever of the sounder similar to that of the screws H H' to the lever of the key in the patent, but in the sounder they do not practically have any effect upon the retractile force applied in the lever." The complainant's expert considers the functions the same in every particular. The Court is satisfied that he is correct.

As has been seen, the third claim does not contain the element of a "circuit-breaking lever," and, in view of the clearly expressed intention of the patentee to include other telegraphic instruments, it must be held to include the lever of a sounder. Fairly construed, the claim should read "The combination in a telegraph key, *or sounder*," etc. To restrict it to a "key" alone, as that word is known in telegraphy, would be most illiberal and would unduly circumscribe the invention. No better illustration of this can be found than the following statement from the Haskins patent, before alluded to: "The invention has been described in connection with a telegraphic sounder; but it is evident that the torsion spring may be applied to the armature lever of any telegraphic receiving instrument or to the lever of any telegraphic key, without departing from the spirit of the invention." Equally is it true that the Edwards spring may be applied to a sounder without departing from the spirit, or the letter, of the invention.

As the question of infringement was carefully examined by this Court upon the motion for a preliminary injunction (*ante*, p. 18,) it is unnecessary to repeat what was then said.

Roemer v. Simon.

There must be a decree in favor of the complainant, upon the third claim, for an injunction and an accounting.

Arthur V. Briesen, for the plaintiff.

George P. Barton, for the defendant.

WILLIAM ROEMER

vs.

EDWARD SIMON AND OTHERS. IN EQUITY.

In an accounting for profits and damages, on a patent for a lock for travelling bags, the plaintiff showed that he made a profit from making and selling the locks, of 91 cents per dozen, but did not show that his profits were due to the patented feature of the lock, in whole or in any definite part, or that he would have made and sold the locks if the defendant had not made and sold them: *Held*, that the plaintiff could recover only nominal damages.

(Before WHEELER, J., Southern District of New York, May 17th, 1887.)

WHEELER, J. A decree for an injunction against further infringement of the plaintiff's patent, and for an account of profits and damages, was before entered in this cause (20 *Fed. Rep.*, 197). It has now been heard on the plaintiff's exceptions to the master's report of nominal damages only.

The patent is for a single feature of a lock for travelling bags. The plaintiff has granted no licenses, but has himself made and sold the locks, separately, and with bags, intending to supply the wants of the trade for them. He showed to the master that his profit upon these locks was ninety-one cents per dozen, and that the defendants had made and sold, with bags, 38,265 of them; but made no further showing of their profits. The exceptions raise the question whether these

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facts furnish a sufficient basis for the estimation of damages, beyond merely nominal damages.

Two defects are apparent in the plaintiff's claim in this respect. One is, that the case does not show that the plaintiff's profits are due to the patented feature of the locks, in whole, or in any definite part; the other is, that these facts do not show that the plaintiff would have had an opportunity to make and sell these locks if the defendants had not made and sold them with their bags.

The case shows that there are other kinds of locks for such bags; and they are mere incidents to the bags, for their more convenient use. However it might be as to articles wholly covered by a patent, for which there was no, or no convenient, substitute, it does not follow, in a case like this, that the purchaser of the principal thing with a patented incident would go until he should find that particular kind of incident before purchasing. The form, material, or workmanship of the bag itself may have been, and is quite likely to have been, as decisive with the purchaser as, and perhaps more so than, the lock. The plaintiff may have, and probably has, suffered damages from this infringement. He must show more than this, however, in order to recover them. He must, according to the cases, show what they are, or some reliable basis for estimating them. (*Garretson v. Clark*, 111 U. S., 120; *Black v. Thorne, Id.*, 122; *Dobson v. Hartford Carpet Co.*, 114 U. S., 439; *Dobson v. Dornan*, 118 U. S., 10.)

Exceptions overruled, report accepted and confirmed.

Arthur V. Briesen, for the plaintiff.

J. E. Hindon Hyde, for the defendants.

Gwathmay v. Clisby.

ARCHIE B. GWATHMAY AND ANOTHER

vs.

JOHN H. CLISBY AND ANOTHER.

Under the law of Alabama a bill of exchange drawn on a person in Alabama and accepted there is a negotiable instrument, and is governed by commercial law, within the meaning of section 2094 of the Code of Alabama, of 1876, although it is not, by its terms, payable at a certain place of payment therein designated.

Being such, although its acceptance was obtained by fraud and without consideration, a person who subsequently took it, in good faith, and for value, without actual notice of any defence to it, or of any equities existing between the drawer and the payee, in part payment of an antecedent indebtedness of the drawer, can recover on it against the acceptor.

(Before WALLACE, J., Southern District of New York, May 21st, 1887.)

WALLACE, J. This case is here upon the motion of the plaintiffs for a new trial, on exceptions to the rulings of the referee by whom the case was tried. The action is brought upon a bill of exchange drawn upon defendants and accepted by them at Montgomery, Alabama. The referee found that the acceptance of the bill was obtained by fraud and without consideration, but that the plaintiffs received the bill without actual notice of any defence thereto, or of any equities existing between the drawers thereof and the payee, in part payment of an antecedent indebtedness of the drawers. He decided that, under the law of Alabama, the bill of exchange was not a negotiable instrument, and was not governed by commercial law, because it was not, by its terms, payable at a certain place of payment, therein designated.

The only question which it is necessary to consider is, whether bills of exchange are "governed by the commercial law," within the meaning of section 2094 of the Code of Alabama, of 1876, when they are not, by their terms, payable

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at a certain place of payment designated. If they are, as the plaintiffs were holders in good faith and for value, according to the decisions controlling upon this Court, the bill of exchange, in their hands, was not subject to the equities existing between the original parties. (*Swift v. Tyson*, 16 *Peters*, 1; *Railroad Co. v. National Bank*, 102 *U. S.*, 14.) The language of the section is as follows: "Section 2094. Bills of exchange and promissory notes, payable in money at a bank or private banking house, or a certain place of payment therein designated, are governed by the commercial law." It is plain, upon the maxim, *expressio unius est exclusio alterius*, that promissory notes are not governed by the law of commercial paper under this section, unless they are made payable at a bank or private banking house, or some other designated place of payment. The inquiry is, whether, by the terms of the section, the same conditions apply to bills of exchange. It is somewhat surprising that, so far as is known, this question has never been decided by the Courts of the State of Alabama, and that it should devolve upon a foreign tribunal to place a construction, for the first time, upon the meaning of a law of Alabama which has been in force since 1852, affecting a subject so important as the rights and obligations of parties to a bill of exchange.

Reading the section without the assistance of other provisions of the laws of Alabama *in pari materia*, or of antecedent legislation upon the same subject, the question presented would be one of much doubt. The punctuation would favor the view, that bills of exchange and promissory notes are both governed by the restrictive terms. But, in arriving at the real meaning of statutes, the Courts disregard punctuation, and read statutes with such stops as are most consistent with the sense. In other words, punctuation is no part of the statute. (*Hammock v. Loan & Trust Co.*, 105 *U. S.*, 77.) It was undoubtedly the purpose of the section to change the rule of the common law respecting the attributes of promissory notes. If a like intention can be gathered with respect to bills of exchange, it is because both classes of commercial

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paper are associated together in the section. But this consideration does not advance the inquiry, because the point is, whether the qualifying words apply to both classes or only to promissory notes.

The plaintiffs invoke the rule of construction sometimes resorted to, that relative words must ordinarily be referred to the next antecedent, where the intent upon the whole statute does not appear to the contrary. (*Brocm's Legal Maxims*, 680; *Dwarris on Statutes*, 2d London ed., 590, 591; *Cushing v. Worrick*, 9 Gray, 382.) This rule is not controlling, and has often been disregarded; and it is not necessary to place the decision of the question upon such a narrow consideration.

The Code of 1876 is a revision of pre-existing legislation. It succeeded the Code of 1867, and, like that Code, was authorized by an Act of the General Assembly, which contemplated that the substance and meaning of former statutes should remain unchanged. When a codification or revision of laws contains provisions which are substantially reproduced from previous Acts of the Legislature, and doubts arise from the ambiguity of the language employed, the safest rule by which to ascertain the meaning is to resort to the original sources, for the purpose of ascertaining the legislative intent. (*United States v. Bowen*, 100 U. S., 508.) To quote the language of the Supreme Court of Alabama in *Landford v. Dunklin*: "No rule of statutory construction rests upon better reasoning than that, in the revision of statutes, alteration of phraseology, or the omission or addition of words, will not necessarily change the operation or construction of former statutes. The language of the statute as revised, or the legislative intent to change the former statute, must be clear before it can be pronounced that there is a change of such statute in construction and operation." (71 Ala., 609.) As said by the Court in *East Tennessee, etc. v. Hughes*, (76 Ala., 590:) "Unless the alteration of the original Act is of such a character as to manifest a clear intent to make a change in

the construction and operation, effect will be given to the statute as originally framed by the General Assembly."

Section 2094 is a reproduction of section 1525 of the Code of 1852, as amended in 1873, which, as will be seen, did not exclude bills of exchange, when not payable at any designated place, from the category of instruments governed by the commercial law. The origin of the legislation in reference to the general subject is found in the Act of January 15th, 1828, (*Laws of 1828, p. 37,*) which reads as follows: "Hereafter the remedy on bills of exchange foreign and inland, and on promissory notes payable in bank, shall be governed by the rules of the law merchant, as to days of grace, protest and notice." This provision was supplemented by an Act of December 21st, 1832, (*Laws of 1832-3, p. 14,*) reading as follows: "Bonds and other instruments payable in bank, shall be governed by the rules of the law merchant, as to days of grace, demands and notice, in the same manner that bills of exchange and notes payable in bank now are."

The grammatical construction of the Act of 1828 plainly limits the qualifying words, "payable in bank," to promissory notes. And the statute is not to be construed as altering the common law, or making any innovations therein, further than the words import. (*Shaw v. Railroad Co., 101 U. S., 557.*) Accordingly, by the reasonable interpretation of the Acts of 1828 and 1832, bills of exchange were governed by commercial law, and so also were all other instruments when payable in bank, including promissory notes.

That this was the true meaning and result of the legislation is made still more clear by the Code of 1852. That Code was not merely a revision of laws previously enacted, but a Code in the wider sense, for the adoption of a body of laws "having regard to the general system and true spirit of the existing laws" of the State. Two sections of that Code are to be considered together as being *in pari materia*. Section 1525 read as follows: "Bills of exchange and promissory notes payable in money at a bank or private banking house, are governed by the commercial law, except so far as the

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same is changed by this Code.” Section 2129 was as follows: “Every action founded upon a promissory note, bond, or other contract, express or implied, for the payment of money, must be prosecuted in the name of the party really interested, whether he have the legal title or not, subject to any defence the payer, obligor or debtor may have had against the payee, obligee or creditor, previous to notice of the assignment or transfer; but this clause does not apply to bills of exchange or instruments payable in bank or at a private banking house.” Section 1525 would not, of itself, be decisive of the present inquiry; but it is to be observed that section 2129, which is the first provision in the laws of Alabama by which negotiable paper of any class was explicitly placed on the footing of other contracts for the payment of money, so far as to be subject, in the hands of a purchaser, to the equities existing between the original parties, makes a distinction between bills of exchange and all other instruments. The section declares, that the clause is not to apply “to bills of exchange or instruments payable in bank,” etc. It was unnecessary to enumerate bills of exchange, unless this distinction was contemplated. They would have been included in the term “instruments,” and, unless the provision was intended to discriminate between them and other instruments payable in bank or at a private banking house, there was no reason for specially mentioning them. It is a cardinal rule, in the construction of statutes, that every part shall be regarded and be so expounded, if practicable, as to give some effect to every part. Promissory notes were not mentioned in the proviso, because they were included in the general designation of “instruments.” When payable in bank or at a private banking house, they were within the exception, although not specifically mentioned; when not so payable, they fell within the general clause. Bills of exchange were mentioned to emphasize the distinction created by the Act of 1828. If this had not been the purpose the word “other” would probably have been inserted between the words “or” and “instruments.” Sections 1525 and 2129 reproduce the pro-

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visions of both the previous Acts, but it is only in section 2129 that effect is given to the provisions of the Act of 1832.

Section 1525 of the Code of 1852 was amended in 1873, (*Act of April 8th, 1873, Laws of 1872-3, p. 112,*) so as to read as follows: "Sec. 1833, (1525). Bills of exchange and promissory notes payable in money at a bank, *or certain place of payment therein designated*, are governed by the commercial law." Section 2094 of the Code of 1876 reproduces the language of section 1525 of the Code of 1852, as thus amended in 1873. It is to be read in connection with section 2890, which is a reproduction of section 2129 of the Code of 1852. Section 2890 reads as follows: "Actions upon promissory notes, bonds or other contracts, express or implied, for the payment of money, must be prosecuted in the name of the party really interested, whether he has the legal title or not, subject to any defence the payor, obligor or debtor may have had against the payee, obligee or creditor previous to notice of assignment or transfer, except in actions upon bills of exchange, promissory notes payable in bank, or at a designated place of payment, and commercial instruments, in which cases the suits must be instituted in the name of the persons having the legal title." By the grammatical construction of this section, neither bills of exchange nor other commercial instruments except promissory notes, are required to be payable in bank, or at a designated place of payment, to fall within the exception.

It is apparent, from this collocation of statutes, that none of them exhibit any clear intention to restrict the negotiability of bills of exchange, and that the tendency of the legislation of the State has been to enlarge the negotiability of promissory notes since 1852, when they were negotiable only when payable at a bank or private banking house, and to enlarge the negotiability of other commercial instruments, which, by the Code of 1852, were placed in the same category with promissory notes, but were withdrawn apparently by section 2890 of the Code of 1876.

The cases of *Cook v. Mutual Ins. Co.*, (53 Ala., 37,) and *Oates v. National Bank*, (100 U. S., 239,) are cited in support

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of the contention of the defendants. Both of these cases were upon promissory notes; there was no occasion to consider the point whether bills of exchange, under the statutes of Alabama, were governed by commercial law or not, and the point was not considered directly or inferentially. On the other hand, the case of *Knott v. Venable*, (42 Ala., 186,) is cited in support of the position of the plaintiffs. That was a suit on an inland bill of exchange, which was not payable at any particular place. The questions litigated related to presentation for acceptance and to demand and protest. The Court held that, in these regards, the paper was governed by the ordinary rules of commercial law. No reference was made in argument, so far as appears, or in the opinion of the Court, to the Code provisions; but it is urged that it can hardly be supposed that section 1525 of the Code of 1852, which had been in force for 13 years when that case was decided, would have been overlooked, if the Court had supposed that that section was intended to deprive bills of exchange of their ordinary attributes.

In the absence of any decision of the Courts of Alabama which can be deemed authoritative upon the present question, the unwelcome duty has devolved upon this Court of deciding it by the aid of the best light of which it is possessed. The conclusion reached is not altogether satisfactory, but it is one which seems most reasonable, after a very full consideration. The rules of the common law are not to be changed by doubtful implication, and especially should the Courts be slow to impute an intention to a statute, not evidenced by clear, unambiguous and peremptory language, to change the law of commercial paper, which circulates largely in foreign States among those who are not supposed to be familiar with restrictions peculiar to the local law of the State where it may be made or may be payable.

The exceptions to the rulings of the referee are sustained and the motion for a new trial is granted.

Thomas G. Shearman, for the plaintiffs.

William P. Chambers, for the defendants.

Woolf v. Chisolm.

DANIEL WOOLF

vs.

ALEXANDER R. CHISOLM AND OTHERS. IN EQUITY.

A defendant had lost the right of removing a suit from the State Court into this Court before the Act of March 3d, 1887, (23 *U. S. Stat. at Large*, 552,) was passed. After that Act was passed, the pleadings were amended, and he filed a petition for removal with his amended answer: *Held*, that he was too late.

(Before WALLACE, J., Southern District of New York, May 23d, 1887.)

WALLACE, J. It was the obvious purpose of the Act of March 3d, 1887, (23 *U. S. Stat. at Large*, 552,) to restrict the right of removal of an action from a State Court to the Circuit Court as it then existed. The right is restricted as to the parties who can exercise it, as to the classes of actions in which it may be exercised, and as to the time at which an election to exercise the privilege must be made. The defendants now invoke this Act to give them the privilege of removal under circumstances in which it did not exist previously. They had elected not to remove, and had waived their privilege before the new Act was passed, by waiting until after the February term of the State Court, the term at which the action could have been tried, within the meaning of the former removal Act. Subsequently the pleadings were amended, and the defendants filed a petition for removal with their amended answer.

By the true construction of the new Act a defendant must file his petition within the time in which, by the laws of the State, or the rules of the State Court, he is required to serve or file his original answer or plea, not within the time when he is required or may elect to file an amended or supplemental answer. The defendants, therefore, have not complied with the conditions upon which their right to re-

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move depends. Much less can they rely upon the language of the new Act to revive a lost right of removal.

The motion to remand is granted.

Van Duzer & Taylor, for the plaintiff.

Dos Passos Brothers, for the defendants.

THE UNITED STATES BUNG MANUFACTURING COMPANY

vs.

THE INDEPENDENT BUNG AND BUSHING COMPANY. IN
EQUITY.

Re-issued letters patent No. 5,987, granted to Rafael Pentlarge, June 30th, 1874, and re-issued letters patent No. 10,175, granted to Frederick Pentlarge and Philipp Hirsch, August 1st, 1882, and letters patent No. 208,816, granted to George Borst, May 7th, 1878, all of them for improvements in bungs for casks, are void for want of novelty and invention.

If a prior foreign patent describes a device covered by a patent of the United States, or describes it so nearly that it is made patent to the public, and the clumsiest mechanic can readily make the change from the one to the other, the latter patent cannot be sustained.

(Before COXE, J., Southern District of New York, May 23d, 1887.)

COXE, J. The complainants are the owners of three several letters patent for improvements in bungs for casks. The first patent, re-issue No. 5,937, was granted to Rafael Pentlarge, June 30th, 1874. The alleged invention consists in boring a hole from either side nearly through an ordinary wooden bung, the hole being filled by a tightly fitting wooden plug. In tapping, the vent plug is driven into this hole, the solid portion of the bung is broken off, and, with the wooden plug, passes into the cask. The object is to provide an easy method of inserting the vent plug, without permitting the

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gases, generated by fermentation, to escape. The claims are: "1. The bung A, provided with the hole α , and having a solid portion, d , opposite thereto, substantially as specified. 2. The plug B, in combination with the bung A, having a hole extending partly through it, substantially as and for the purpose set forth."

The second patent, re-issue No. 10,175, was granted to Frederick Pentlarge and Philipp Hirsch, August 1st, 1882. The bung here described is like that of the previous patent, except that the hole is bored from both sides. A thin web of wood is thus left between the two holes in the interior of the bung. The reinforcing plug is dispensed with. The claims are: "1. In a vent-bung made and constructed substantially as described, a transverse web having recesses formed respectively upon its inner and outer faces. 2. In a vent-bung made and constructed substantially as described in Figs. 1 and 2, the recess O, on one side of the bung, of greater size than the recess B, on the other side of the bung."

The third patent, No. 203,316, was granted to George Borst, May 7th, 1878. This bung is similar to the preceding ones, except that a cutting tool is used, which, instead of a hole, makes a groove or circular incision, the centre core of wood being left intact. The claims are: "1. A vent-bung having upon one or both of its faces a groove or incision, extending partially through the same and surrounding the portion to be removed, substantially as and for the purpose set forth. 2. A vent-bung having formed upon one of its faces a cavity, and upon the opposite face a groove or incision surrounding the portion to be removed, substantially as and for the purpose specified."

Infringement is admitted, but the defendants insist that the patents are invalid for lack of novelty and invention. Before proceeding to this defence it is well to have in mind what the Courts have said regarding the patents in question, which, upon several occasions, have been the subjects of judicial examination. In 1878, Judge Benedict, in refusing

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a preliminary injunction in an action by Frederick Pentlarge against Rafael Pentlarge, decided that the patent to Rafael, No. 5,937, is broad enough to include the devices described in the Pentlarge-Hirsch patent, No. 10,175, and the patent to Borst, No. 203,316, and is not limited to a bung with a web on one face, but covers every form of bung in which a solid web is left opposite the plug hole. He further held that the distinctive feature of the first claim is "the transverse web of solid wood left intact and opposite the plug hole, for the purpose of preventing the exit of gas or fluid, and yet thin enough to permit of its easily giving way on being struck;" and that changing the locality of the web from the face to the centre of the bung, whether by boring or by a circular cut, is a mere change of form and nothing more. Subsequently, in an action by Rafael Pentlarge against Frederick Pentlarge and another, the same patents being involved, the same Judge held that the defendants infringed and ordered them under injunction.

In 1880, in a suit between Rafael Pentlarge and The New York Bung and Bushing Company, Judge Blatchford decided that the defendants were at liberty to make a bung with a hole in it and a solid portion opposite to the hole, for, in so doing, they made simply what is described and shown in the English patent to Taylor, *infra*. The fact that the hole shown in the Taylor patent is flaring he considered unimportant.

In 1884, Frederick Pentlarge commenced an action, under § 4,918 of the Revised Statutes, praying that the patent of George Borst, No. 203,316, be declared void. Judge Wheeler dismissed the bill, holding that the patents were each valid for the difference only between the bungs described in them and those in existence before, and that the patents did not interfere. (20 *Fed. Rep.*, 314.) The patents to Taylor and Rafael Pentlarge were in evidence in that cause.

Coming, now, to the defence of lack of patentable novelty, it is necessary to understand, at the outset, what was known

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in the art before the alleged inventions were conceived. In 1871 a patent was granted to Josiah Kirby for a wooden bung with a cylindrical hole or vent bored entirely through it. The hole was filled with a tightly fitting plug, its grain running at right angles to its axis. This plug, in venting, was forced into the cask. In February, 1865, an English patent was sealed to William Rowland Taylor. In his specification he declares: "I propose to employ shives or bungs having therein a distinct peg hole of metal or wood to contain a cork or peg, which may be displaced by the pressure of the ordinary loose peg, which will then fill the hole." Again he says, in explanation of the drawings: "Figure 9 shows a shive having a hole made not quite through it, so as to leave a thickness of wood which can be pressed into the cask by the common wooden vent peg." The only possible difference between the Taylor bung, as shown in Figure 9, and the Rafael Pentlarge bung, as shown in Figure 1, is that the former is conical and is smaller than the latter; although Taylor, in describing Figure 1 of his drawings, says that the peg hole may be "either slightly tapered or of equal diameter throughout."

Let it be assumed that he who first bored a vent hole in a wooden bung and stopped boring before he had gone entirely through, so that the hole was completed by being hammered out instead of being bored out, is entitled to rank as an inventor. The question here is—was it invention to change a conical hole to a cylindrical hole; to take Taylor's bung and cut out the peg hole, so that its diameter was equal at top and bottom? It is thought not. And especially so in view of the fact that Taylor had shown the cylindrical hole and Kirby had shown it as applied to bungs. It can hardly be said that the mechanic, who, with the Taylor and Kirby structures before him, takes the stock and bit used by Kirby and with it makes the hole in the Taylor bung larger at the bottom, so that it will hold the Kirby plug, has made an appreciable draft upon his mental faculties. To adopt, *mutatis mutandis*, the language of the Supreme Court in *Heald v.*

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Rice, (104 U. S., 737, 755 :) “ Could not the owners of the Kirby patent unite their device with the Taylor structure and work them together, in defiance of a claim for the combination ? To ask the question is to answer it.”

It is not invention to make a small hole a big hole or a conical hole a cylindrical hole, especially when no new result and no appreciable improvement on the old method is accomplished. It is a mere change of form, involving, not the action of the mind, but a substitution of one tool for another. If such slight and unimportant changes are sufficient, the next applicant has only to make the vent hole elliptical or octagonal, or bore a round hole obliquely, or make it a little larger at the bottom than at the top, and thus secure a patent. The law was never intended to protect such superlative and palpable trivialities. The recent decisions of the Supreme Court upon this question show no disposition to recede from the rule which elevates patents above the plane of the frivolous and the commonplace. (*Thatcher Heating Company v. Burtis*, 121 U. S., 286 ; *Gardner v. Herz*, 118 U. S., 180 ; *Yale Lock Company v. Greenleaf*, 117 U. S., 554 ; *Pomace Holder Co. v. Ferguson*, 119 U. S., 335, and cases cited.)

In reaching the conclusion that there is no patentable novelty in the Rafael Pentlarge bung, the Court has not overlooked the argument advanced by the complainants, that the Taylor patent should be laid out of view in considering the defence of lack of invention. It is insisted that the Taylor patent does not disclose an exact anticipation ; that the Pentlarge structure is not covered by Taylor's claims or “ patented ” to him ; and that, under the provisions of § 4,886 of the Revised Statutes, the English patent cannot be considered at all. It is thought, however, that this contention is not well founded. If a foreign patent describes the device covered by a patent of the United States, or describes it so nearly that it is made patent to the public, and the clumsiest mechanic can readily make the change from one to the other, the latter patent cannot be sustained. Any other rule would

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promote inconsistency and fraud. (*Cohn v. United States Corset Co.*, 93 U. S., 366; *Spill v. Celluloid Company*, 22 Blatchf. C. C. R., 441; *Florsheim v. Schilling*, 26 Fed. Rep., 256; *Walker on Patents*, § 55.)

The foregoing considerations dispose also of the two remaining patents. In the light of what was known at the date of their patent it was surely no invention for Frederick Pentlarge and Philipp Hirsch to bore from both sides of the bung, thus locating the web at the centre, or nearer the centre than before. Neither is invention shown in the Borst patent in view of the prior art, and also in view of the article in the German paper, of February, 1877, which clearly presents the idea of making the circular cut and leaving the core rather than boring out the hole. The core is plainly an equivalent for the plug of Rafael Pentlarge. The learned judge who decided *Pentlarge v. New York Bung & Bushing Co.*, (20 Fed. Rep., 314,) did not have the state of the art before him and simply determined a question of interference, under the statute, between the two patents in controversy. If the light disclosed by this record had been thrown upon that case there is little doubt—assuming that the question of patentable novelty is involved in such an action—that he would have reached a different conclusion. No language can be employed which more appropriately characterizes the results reached by the patentees than that of the Supreme Court in *Smith v. Nichols*, (21 Wall., 112, 119:) “A mere carrying forward of new or more extended application of the original thought, a change only in form, proportions, or degree, the substitution of equivalents, doing substantially the same thing, in the same way, by substantially the same means, with better results, is not such invention as will sustain a patent.

There should be a decree dismissing the bill.

Henry Brodhead, for the plaintiffs.

Preston Stevenson, for the defendants.

Cluett v. Claflin.

GEORGE B. CLUETT AND OTHERS

.vs.

HORACE B. CLAFLIN AND OTHERS. IN EQUITY.

Letters patent No. 156,880, granted to Robert Cluett, November 17th, 1874, for an improvement in shirt-bosoms, the alleged invention consisting in binding a shirt-bosom and afterwards sewing it through the binding to the body of the shirt, are void for want of patentable invention.

(Before COXE, J., Southern District of New York, June 7th, 1887.)

COXE, J. The complainants are the owners of letters patent No. 156,880, granted to Robert Cluett, November 17th, 1874, for an improvement in shirt-bosoms. The object of the patentee was, *first*, to avoid the disfigurement of the bosom which follows from folding in the raw edges and loose threads thereof; *second*, to stay the bosom and render it less liable to rumple; and, *third*, to prevent the wrinkling or fulling up of any one of the layers of which it is composed. The shirt is constructed by placing two or more layers of cloth composing the bosom, smoothly, one upon the other; their edges are then bound with a folded strip of similar material, which, except at the neck and yoke, extends entirely around the bosom and is attached thereto by a line of stitches. The bosom is then placed upon the shirt body and fastened to it by a second line of stitches, through the binding. In other, and, perhaps, plainer words, the alleged invention consists in binding a shirt-bosom and afterwards sewing it, through the binding, to the body of the shirt. A shirt so made was first produced by the patentee in the spring or early summer of 1874. The claims are as follows: "1. In combination with a shirt-body, a shirt-bosom bound on the outer edge with a folded and stitched binding, and attached to the shirt-body by a separate line of stitching through such binding. 2. The shirt-bosom S, composed of two or more

thicknesses of cloth, B L, bound on the outer edge with the binding B" and secured to the shirt-front F by the line of stitching O."

The defendants admit that some of the shirts dealt in by them contain the patented features, but they insist that the complainants' shirt was old in 1874, and, if not completely anticipated, the state of the art was such that the patent must be held void for lack of invention.

A voluminous mass of testimony has been returned upon the question of prior use. The greater part, however, may be laid aside, when it is remembered that this defence must be established by proof as explicit and convincing as that required to convict a person charged with crime; proof which not only preponderates the complainants' testimony, but which satisfies the mind beyond a reasonable doubt. The evidence upon this question is full of contradictions and improbabilities and furnishes another illustration of the difficulty of arriving at the truth from human testimony. Although corruption, prejudice and self-interest may be wholly absent, it is well-nigh impossible for a witness, no matter how intelligent he may be, or how retentive his memory, to recall the details of ordinary transactions occurring twelve or fifteen years before. Even the most intelligent and incorruptible witnesses are here proved to have been mistaken in important particulars, and others, not so intelligent or virtuous, are contradicted and discredited. It is thought that the testimony falls below the standard required by the rule referred to, unless it be the proof of prior use at Chatham, New York. Two witnesses who made bound bosom shirts, similar to the patented shirt, were called and, at great length and with careful attention to details, told the manner of construction and the experiments which led to the adoption of that style of shirt. But the character of one of these witnesses, Ford, was compromised by an attempt upon his part to sell the knowledge he possessed for a large sum of money, and the Court should hesitate to accept his story were it not corroborated by the testimony of the County Judge of Columbia

county, whose character is conceded by all to be entirely beyond reproach. Judge McClellan positively and with reiteration testifies that he bought bound bosom shirts prior to 1870, and gives facts and circumstances which render it quite improbable that he is in the wrong. To be sure he is shown to be mistaken as to minor details in a few instances, but upon all material questions his testimony remains entirely unshaken, and, when taken in connection with the evidence of Ford and Clark, it can hardly be said that there is a reasonable doubt remaining regarding the Chatham anticipation.

But it is thought that the patent must be declared invalid for want of patentable novelty, and the Court prefers to rest the decision upon this ground. It will be seen, upon an examination of the claims, that they do not cover a bosom of any designated color, size or shape, or a binding of any particular variety, or the machinery or processes employed in the construction of the shirt; but they are for the combination of a shirt-bosom, bound on the outer edge, with a folded and stitched binding, attached to the shirt-body by a separate line of stitching through the binding. The patent covers nothing more. To attribute to the alleged invention all the improvements and increased facilities which modern machinery and ingenuity have introduced into the shirt traffic, is hardly warranted by the proofs.

At the time the patentee produced the combination in question, namely, in the spring of 1874, the art of binding textile fabrics for ornamentation, strength and preservation was very old. Shirts and shirt-bosoms and bosoms with binding around their outer edges were not new. Woollen shirts with bosoms bound and attached on one side alone, and on both sides, to the shirt-body by a line of stitches, either through or just inside the binding, and laundered shirts with ruffled or puffed bound bosoms, were well known. In January, 1873, a patent for improvements in shirts was granted to Augustus D. Marr, the specification of which contains this language: "The edges of each fly and the bosom-

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front may be bound with binding." In 1869, or 1870, the complainants themselves made and sold a bound bosom, or dickey, detached from the shirt and intended to hang by means of a tab to the collar button and to be worn or not as occasion required. Had a mother, in 1870, whose son exhibited an aversion to wearing the bound dickey, seen fit to sew it to his shirt by a line of stitches through the binding, she would have anticipated the Cluett patent. Had she done this in 1875 she would have infringed.

The question, then, is, was it invention for the patentee, in view of all that was known in the art in 1874, to sew the bound bosom made by him to the shirt upon which it hung, by a line of stitches through the binding? There was no invention in locating the stitches at that point, for it would almost require an exercise of the inventive faculty to find any other place to put them. Two or more pieces of cloth, bound on the edges, are laid upon another piece and held in proper position by means of a button. A party who is aware that similar fabrics have been held in position by sewing instead of buttoning, substitutes the former for the latter mode. Clearly, this is not invention. Take another illustration. Let us assume that two intelligent workmen were employed in the complainants' manufactory in 1872, the one wearing the woolen shirt with shield-shaped bound bosom described by the defendants' witnesses, the other the bound dickey made by the complainants. The tab which holds the latter to the collar button breaks or becomes inoperative and its wearer, after examining the woolen shirt of his companion, sews the dickey to the body of his shirt by a line of stitches through the binding. Does he by this act become an inventor? Is the operation one which taxes the brain or calls into being "that intuitive faculty of the mind" which the Supreme Court regards as necessary to patentable novelty? (*Hollister v. Benedict Manufacturing Co.*, 113 U. S., 59.) If so, it might almost be said that he who, by means of a row of tacks through its binding, attaches to the wall a map which previously had been suspended in the same position by a cord, is

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entitled to rank as an inventor. It is entirely clear that, under the decisions of the Supreme Court, this action cannot be maintained.

The record discloses less invention than was shown in any of the following cases: *Pennsylvania Railroad Co. v. Locomotive Truck Co.*, (110 U. S., 490;) *Stimpson v. Woodman*, (10 Wall., 117;) *Stephenson v. Brooklyn Railway Company*, (114 U. S., 149;) *Yale Lock Company v. Greenleaf*, (117 U. S., 554;) *Thatcher Heating Company v. Burtis*, (121 U. S., 286;) *Estey v. Burdett*, (109 U. S., 633;) *Pomace Holder Co. v. Ferguson*, (119 U. S., 335;) *Phillips v. Detroit*, (111 U. S., 604;) *Gardner v. Herz*, (118 U. S., 180.)

The bill must be dismissed, with costs.

James A. Skilton, for the plaintiffs.

Louis C. Raegener and *David Tim*, for the defendants.

IN RE THADY O'SULLIVAN, AND 71 OTHER IRISH IMMIGRANTS.
ON HABEAS CORPUS.

In order to lawfully detain an immigrant, and prevent his landing, the Commissioners of Emigration must, under the Act of August 8d, 1882, (22 U. S. Stat. at Large, 214,) ascertain that he is a "convict, lunatic, idiot, or" "person unable to take care of himself or herself without becoming a public charge" and report that fact in writing to the collector.

Where this was not done, the immigrant was discharged on *habeas corpus*, the commissioners not desiring to make further examination or report.

(Before BROWN, J., Southern District of New York, June 15th, 1887.)

BROWN, J. The above named petitioners, being Irish immigrants, arrived at this port on the 4th of June, 1887, on board the City of Chester. They have been brought before

the Court upon a writ of *habeas corpus*, procured upon a petition averring that they are illegally detained by the Commissioners of Emigration. The return to the writ states that they are held under the provisions of the Act of Congress of August 3d, 1882, (22 *U. S. Stat. at Large*, 214,) upon an order made by the Commissioners on the 9th of June, after an examination into the circumstances of the immigrants, declaring that they were "likely to become public charges, and should not be allowed to land." Objection was made to the form of the return to the writ, in that neither the return nor the order set up in it states that the Commissioners had found that any one of the immigrants was a "convict," a "lunatic," an "idiot," or a "person unable to take care of himself or herself without becoming a public charge;" and, it being suggested in reply, that this was a formal omission only, to be cured by amendment, the relators thereupon put in a traverse, denying that any such order had been made by the Board of Commissioners; or that there had been any examination by the Board such as is required by the statute, or any finding of either of the facts that is made by the statute a legal cause of detention. Witnesses have accordingly been examined as to the proceedings of the Commissioners, in respect to the nature of the examination made by the Board, and whether the Board, on such examination, has found, or has reported to the collector, either of the facts upon which the statute authorizes the relators to be sent back. The evidence of the Commissioners and of the Secretary of the Board shows that the immigrants are healthy, able-bodied, and, in general, rather above than below the ordinary immigrants entering at this port; that the Board had not made any finding that the immigrants retained, or any of them, were "convicts, lunatics, idiots, or persons unable to take care of themselves without becoming a public charge;" that the question chiefly discussed before them was the fact that their passage money to this country had been paid by the British Government; that the Board thereupon voted or resolved "that

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they be not allowed to land ;” and that their records show no other finding or determination.

It is competent for this Court, and it is its duty, upon a writ of *habeas corpus*, in inquiring into the cause of detention, to ascertain and determine whether a special tribunal, in the exercise of its functions, keeps within the limits of its statutory powers, and to adjudge its proceedings void, if its action is in excess of its authority. So long as the special tribunal acts within the powers conferred by statute, its determination of the facts that are submitted to its judgment is final and conclusive, except upon some review specially authorized by law. The Commissioners are authorized, by the Act of August 3d, 1882, to examine immigrants coming to this country, and to ascertain whether any one is a “convict, lunatic, idiot,” or “person unable to take care of himself or herself without becoming a public charge ;” if so, they “shall report the same in writing to the collector of such port, and such persons shall not be permitted to land.” This is the authority, and the sole authority, of the Commissioners applicable to the present inquiry. They are required to ascertain the fact as respects the four categories named ; and, if they find any person within either category, they must report the same to the collector ; that is to say, they must ascertain and report the fact, if any, that authorizes detention. It is only upon such a finding and report to the collector that the law requires the persons to be sent back. The law has not authorized the Commissioners, or any other officer, or this Court, to say that these immigrants shall not land, upon any other ground than one of the four above specified.

The evidence, upon the testimony of the Commissioners themselves, leaves no doubt that the Board did not make any finding upon either of the facts required. The resolution passed by the Board was simply “that they be not allowed to land,” without any finding or determination of any one of the statutory facts authorizing a detention. It has not been reported to the collector that any one of these persons is a

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“convict,” a “lunatic,” an “idiot,” or a “person unable to take care of himself or herself, without becoming a public charge.” It is only upon a report specifying some one of these findings that the final refusal of a landing is to be adjudged, and a return of the immigrants required. The evidence is, that the only fact on which the resolution of the Board was based was, that the passage money for the immigrants had been paid by the British Government. This fact is, doubtless, a proper and an important one to be considered in determining the question whether the immigrants are, or are not, able to take care of themselves “without becoming a public charge;” but that fact alone does not constitute inability to take care of themselves, nor is it necessarily conclusive evidence of it. Its force is as evidence only, in respect to the ultimate fact which the Commissioners were called on to decide, viz., whether these immigrants were unable to take care of themselves; and that question, it is clear from the testimony, the Board has never yet determined. It is very plain, therefore, that no legal cause is shown for detaining the prisoners for the purpose of sending them back; because the Board has not found any one of the facts that are the legal conditions of the statutory inhibition.

As the immigrants, however, are still in the custody of the Commissioners, the Board has still power to make a further examination in respect to the facts submitted to its determination by the statute. The Commissioners alone have the authority to determine these facts, upon a proper examination and finding. Such was the ruling of this Court in *In re Day*, (27 *Fed. Rep.*, 678.) If the Board, upon any proper examination, finds that the immigrants are unable to take care of themselves, “without becoming a public charge,” and so report to the collector, that is conclusive. If the Commissioners, therefore, still desire to make any finding or report upon this question, they are authorized to do so, and this proceeding will be suspended for that purpose, or the prisoners remitted to the custody from whence they were

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taken until the lapse of a reasonable time for that purpose, as counsel may elect.*

Biddle & Ward, for the petitioners.

W. W. Rowley, for the Board of Emigration.

CHARLES D. JUDD

vs.

THE BANKERS' AND MERCHANTS' TELEGRAPH COMPANY AND
OTHERS. IN EQUITY.

The Court which first takes cognizance of a controversy is entitled to retain jurisdiction to the end of the litigation, and to take possession and control of the subject-matter of the investigation, to the exclusion of all interference by other Courts of co-ordinate jurisdiction.

(Before WALLACE, J., Southern District of New York, June 17th, 1887.)

WALLACE, J. This motion for a receiver and an injunction *pendente lite*, if granted, would result in an unseemly and unnecessary interference with the jurisdiction of the Supreme Court of this State, in the proceedings now pending in that Court. The complainant, by his bill, asks this Court to get in the assets and distribute the property of an insolvent corporation among its creditors, of whom he is one, when the State Court, at the instance of other creditors, has already taken jurisdiction in suits brought against the corporation to obtain the same relief, and is now, by its receiver, in possession and control of the property of the corporation.

* Several of the Commissioners being present in Court, after a consultation among themselves and with their counsel, it was stated to the Court that they did not wish to make any further examination or finding; and thereupon the immigrants were discharged.

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Three suits are now pending in the Supreme Court of the State of New York ; one brought by a judgment-creditor, to obtain a sequestration of the property of the corporation ; another brought by a holder of mortgage bonds, situated similarly to the present complainant, in behalf of himself and all other bondholders, to secure an equitable distribution of the property of the corporation among its creditors ; and another brought by the trustee for the bondholders in the mortgage, for a foreclosure of the mortgage. Receivers were appointed in the first suit, and, after the second suit was commenced, the receivers appointed in the first suit were appointed receivers in the second suit, and all their proceedings in the first were approved by the order of the Court in the second suit, so that both suits have been treated by the State Court practically as one proceeding. The action brought by the trustee for a foreclosure of the mortgage has proceeded to a decree and a sale of the mortgaged premises, and by the decree in that action it was ordered that receivers' certificates issued by order of the Court in the first two suits, which had been negotiated by the receivers and amounted to something over \$600,000 at the time of the sale, should be received toward payment of the purchase money, the certificates having been made a prior lien to the mortgage by the orders of the Court. Thus it appears that the State Court is now in control of all the property and assets of the corporation, and is attempting to administer them and appropriate the proceeds to those to whom they belong. The jurisdiction of the State Court is not questioned, but the bill asserts that grave irregularities have taken place in the proceedings, and that the suits have been controlled by parties acting collusively, to advance their own interests, at the expense of the complainant and those similarly situated. All the averments in the bill charging fraud and collusion in the proceedings in the State Court are fully met and denied by the answers of the several defendants. The trustee for the mortgage bondholders was a party defendant in the second suit. If the complainant's interests have not been properly protected in

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the proceedings in the State Court, he has an ample remedy, as a party in interest, in the proceedings there, upon sufficient cause shown, to obtain redress, by intervening in his own behalf.

The case is one for the application of the rule that the Court which first takes cognizance of the controversy is entitled to retain jurisdiction to the end of the litigation, and to take possession and control of the subject-matter of the investigation to the exclusion of all interference by other Courts of co-ordinate jurisdiction. (*Williams v. Benedict*, 8 How., 107, 111; *Taylor v. Carryl*, 20 How., 583; *Hagan v. Lucas*, 10 Pet., 400; *Buck v. Colbath*, 3 Wall., 334; *Heidritter v. Elizabeth Oil Cloth Co.*, 112 U. S., 294; *Schuehle v. Reiman*, 86 N. Y., 270; *Union Trust Co. v. Rockford, Rock Island & St. Louis R. R. Co.*, 6 Biss., 197; *Sedgwick v. Menck*, 6 Blatchf. C. C. R., 156.)

In *Young v. Montgomery & Eufaula R. R. Co.*, (2 Woods, 606, 619,) the Court refused to assume to take possession of and administer property which was in possession of another Court and in course of administration there, although that Court had granted leave to sue its receiver for the purpose.

The motion is denied.

B. C. Chetwood, for the plaintiff.

Robert G. Ingersoll, for the defendants.

JOHN H. HANKINSON vs. WILLIAM R. PAGE.

Under sections 488 and 498 of the Code of Civil Procedure of New York, a defendant who does not appear generally, but serves a special answer raising an issue as to the jurisdiction of the Court, does not waive any objection to the jurisdiction.

Under sections 644, 648, 649 and 655 of the Code of Civil Procedure of New York, the sheriff must levy an attachment upon policies of life insurance in

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which the debtor has an interest, by taking them into his actual custody. But in regard to his interest in the liability of a benevolent association to collect money from its members and pay it to him, not evidenced by any other instrument than a certificate of membership, it is sufficient for the sheriff to serve the attachment by leaving a certified copy of the warrant and notice with the association.

(Before WALLACE, J., Southern District of New York, June 17th, 1887.)

WALLACE, J. Exceptions have been filed by the plaintiff to the rulings of the referee before whom this action was tried, and a motion for a new trial is founded upon the errors alleged by the exceptions. The action was brought originally in the Supreme Court of the State of New York and was removed to this Court. The only question litigated on the trial before the referee was whether jurisdiction was obtained by the State Court over the person of the defendant by the due service of process. The defendant was a non-resident of the State and the action was sought to be commenced against him by the levy of an attachment upon property alleged to belong to the defendant within this State. The defendant did not appear generally in the action, but appeared by attorneys, who served a special answer in the action, "for the purpose of raising the issue as to the jurisdiction of the Court only." The answer alleged that the Court did not have jurisdiction because the summons was served upon the defendant at Rutland in the State of Vermont, and that, although a warrant of attachment was granted against the property of the defendant, he did not have any property in this State and no levy had been made upon his property.

The qualified appearance of the defendant was not a waiver of the objection which the answer was interposed to raise. A general appearance in the action would have been a waiver. Commonly, such an objection is raised by a motion to dismiss the summons, but in some cases the question presents an issue of fact, which can be more satisfactorily determined by an answer in the nature of a plea in abatement. Sections 488 and 498 of the Code of Civil Procedure expressly authorize the defendant to present the objection by an

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answer. The case of *Hamburger v. Baker*, (35 *Hun*, 455,) is directly in point, to the effect that such an answer as was interposed here is not to be regarded as a general appearance in the action, and authorizes the defendant to contest the fact whether the Court acquired jurisdiction by the sufficient service of process.

If the attachment issued by the State Court was levied upon the property of the defendant, the Court acquired jurisdiction to the extent necessary to satisfy the plaintiff's demand out of the property seized. By the provisions of the Code of Civil Procedure of this State an attachment may be levied upon "a cause of action arising upon contract, including a bond, promissory note or other instrument for the payment of money only, negotiable or otherwise, whether past due or yet to become due," "which belongs to the defendant," (*section* 648;) and the sheriff who executes the writ must collect all debts, effects and things in action, subject to the direction of the Court, and may maintain any action or special proceeding, in his own name or in the name of the defendant, which is necessary for that purpose, (*section* 655;) and it is made his duty to take into his custody all books of account, vouchers and other papers relating to the property attached, (*section* 644.) It is provided by *section* 649, that a levy under a warrant of attachment must be made "upon personal property, capable of manual delivery, including a bond, promissory note, or other instrument for the payment of money, by taking the same into the sheriff's actual custody." The same section provides that the levy upon other personal property must be made by leaving a certified copy of the warrant, and a notice showing the property attached, with the person holding the same; or, if it consists of a demand other than a bond, promissory note, or other instrument for the payment of money, by leaving a certified copy of the warrant and notice with the person against whom the demand exists.

The levy in this case was sought to be made by serving a copy of the warrant and notice upon several insurance com-

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panies, which had issued policies of insurance upon the life of John B. Page, then lately deceased, of whom the defendant was one of the heirs at law, but without an attempt by the sheriff to take the policies into his actual custody. Similar service was made upon the National Benefit Society. This was a benevolent association, of which John B. Page was a member up to the time of his death. That association had not issued a policy of insurance, but, at the time of the service of the warrant of attachment, was under a contract liability to the heirs at law of John B. Page, to assess upon and collect from the several members of the association the sum which each member had agreed to pay on the death of another member, and was obligated to pay the sum thus collected from its members, to an amount not exceeding \$5,000, to the heirs at law of John B. Page. The defendant, in conjunction with the other heirs at law of John B. Page, had a vested demand against the association, which was not then payable, but would become payable shortly thereafter, and, upon non-payment, could proceed, by appropriate remedy, to compel the association to assess, collect and pay the amount of its obligation. Unless the defendant's demand against that association falls within the category of personal property "capable of manual delivery, including a bond, promissory note, or other instrument for the payment of money," the sheriff was not required to take anything into his manual custody, but made due service by leaving a certified copy of the warrant and notice with the association. The only instrument evidencing the obligation of the association to collect and pay the sum mentioned to the heirs at law of John B. Page, upon his death, was a certificate of membership in the association, which had been delivered by the association to John B. Page. This certainly was not an evidence of debt, in the ordinary acceptation of that term, like bonds, notes and ordinary instruments for the payment of money. Even a policy of insurance would not fall within this description. (*The People v. Brown*, 6 Cow., 41; *Tyler v. Ætna Ins. Co.*, 2 Wend., 280.)

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All contracts which contain an obligation for the payment of money by one of the parties are, in one sense, instruments for the payment of money. A contract in writing, for the building of a house, between the owner and builder, is, in this sense, an instrument for the payment of money on the part of the owner, although the payments to be made by him generally depend upon the completion of the whole or a portion of the work by the builder. (*Alder v. Bloomingdale*, 1 *Duer*, 601.) There is also a large class of contracts strictly unilateral, in which the promise is one for the payment of money only, but by which the money is payable conditionally. A policy of insurance belongs to this class. These contracts are evidenced by instruments signed only by the maker, and are delivered to the payee or obligee, and presumably the originals are not to be found in the possession of the party who promises to pay. It is unreasonable to suppose that all contracts under which money may become payable were intended to be included in the language under consideration. At most, it would seem to be intended to apply only to such unilateral contracts for the payment of money as are usually evidenced by written instruments delivered by the payer or obligor to the payee or obligee. The provisions requiring the instrument to be taken into the sheriff's actual custody relates to property "capable of manual delivery." It probably refers to the same instruments mentioned in section 648, "for the payment of money only, negotiable, or otherwise." It appropriately includes all instruments like bonds, notes, bills of exchange, and certificates of deposit, the title to which may pass by delivery, and do not require a formal assignment in order to enable the person to whom the instrument is delivered to maintain an action upon it in his own name. Upon the rule *noscitur a sociis*, the words "other instrument for the payment of money" are to be interpreted as referring to instruments of similar character with bonds and promissory notes, such as are evidences of debt and the title to which passes by delivery merely. But there is also fair reason to contend that the provision is intended to in-

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clude all other instruments which are unilateral contracts for the payment of money only. The apparent purpose of the provision is to require the sheriff to reduce the property attached to his possession, so far as, under the circumstances, it can practically be done. This is the rule which prevails in the absence of statutory direction. In general, to constitute a sufficient attachment of personal property, the officer must take such custody of it, upon a levy, as will enable him to retain and assert his power over it, so that it cannot probably be withdrawn or taken by another without his knowing it. (*Hemmenway v. Wheeler*, 14 *Pick.*, 408; *Tomlinson v. Collins*, 20 *Conn.*, 364; *Odiorne v. Colly*, 2 *N. H.*, 66; *Blake v. Hatch*, 25 *Vt.*, 555; *Learned v. Vandenburg*, 7 *How. Pr.*, 379.) When a unilateral instrument containing the promise of another to pay money is in the possession of the defendant himself, or, belonging to the defendant, is in the possession of a third person, it is practicable for the sheriff to take it into his actual custody, and the Code provision would seem to require him to do so. In accordance with these views, the referee was correct in his conclusion that the attachment was not levied as the statute directs upon the policies of insurance. But a certificate of membership in an incorporated association cannot, upon any reasonable theory, be considered as an instrument for the payment of money, within the meaning of the provision in question, and consequently the interest of the defendant in the demand against the National Benefit Society was properly attached by the sheriff.

It is insisted for the defendant that the demand of the defendant against the National Benefit Society was in the nature of equitable assets, and, therefore, could not be attached. Although an attachment is a special remedy at law, and, in the absence of statutory authority, does not reach property or interests which can only be realized by the assistance of a Court of equity, the tendency of legislation in this country has been to enlarge the operation of the writ and subject interests in and kinds of property to seizure under an attachment which are not subject to execution at law. (*Drake on*

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Attachment, sec. 7.) In this State the common law and equity jurisdiction are blended in the same tribunal, and there is, consequently, no inconvenience in extending the remedy of an attachment so that the levy will embrace equitable interests of the defendant in real and personal property. The question is whether this has been done by the provisions of the Code. No decisions of the State Courts have been cited by counsel, in which the precise question now presented has been considered. But in *Thurber v. Blanck*, (50 *N. Y.*, 80,) the Court of Appeals, in considering the effect of an attachment under the Code then existing, in which the provisions were similar to those of the present Code, was of the opinion that the lien of an attachment upon choses in action and debts could only be created upon legal titles and not upon mere equities. The Court used this language: "Debts and choses in action are to be regarded as legal assets, under the attachment laws, wherever that process acts directly upon the legal title, but whenever they are so situated as to require the exercise of the equitable powers of the Court to place them in that situation, they must be treated as they always were, as equitable assets only." See, also, *Castle v. Lewis*, (78 *N. Y.*, 135,) and *Anthony v. Wood*, (96 *N. Y.*, 180.) The question thus considered, although not the exact question here, involves somewhat the meaning of the Code provisions, and the consideration whether they extend the lien of an attachment so as to operate upon choses in action which can be collected only in a Court of equity. These citations seem to sustain the defendant's contention, and it is significant, as tending to the same conclusion, that the causes of action arising upon contract, mentioned in section 648, which are specifically enumerated in the section, are all of them causes of action at law. The conclusion, therefore, is, that the Code provisions were not intended to create any innovation upon the generally prevailing and original system of the remedy by attachment, under which the operation of the process is confined to legal debts, as contradistinguished from equitable demands. This conclusion, however, does not help the de-

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fendant, unless it can be maintained that the defendant's remedy upon the cause of action to secure the sum payable to him is exclusively in equity. The association undertook to pay him a sum of money, by making an assessment upon its members, and paying what should be realized thereon, not exceeding \$5,000, to the beneficiaries named in the contract. Upon refusal to make the assessment, it would be liable at law, for such sum as might have been collected if it had fulfilled its undertaking. It would not be permitted to allege that nothing was due the plaintiff, because of its own default in not doing what it had agreed to do. Any condition in the contract, by which it is attempted to deprive the beneficiaries of the judgment of a Court of competent jurisdiction as to the extent of the legal obligation of the association, could not stand in the way of a recovery. Such a condition affects the right to a judicial trial and is void as against public policy. (*Insurance Co. v. Morse*, 20 Wall., 445; *Nute v. Hamilton Mutual Insurance Co.*, 6 Gray, 174, 181; *Tobey v. County of Bristol*, 3 Story, 800.) On the other hand, if the association should collect the sum payable from the members, or any part of it, the money would belong to the beneficiaries, and they could maintain an action at law to recover it. Doubtless they could resort to equity and seek a mandatory injunction to compel the association to make an assessment, upon its refusal to do so; but, although they might elect to pursue this course, they would not necessarily have to do so.

It must, therefore, be held, that the attachment was properly levied upon the demand of the defendant against the National Benefit Society, and, consequently, that the defence of want of jurisdiction should not have prevailed.

A new trial is granted.

Kaufman & Sanders, for the plaintiff.

Page & Hagan, for the defendant.

Hill v. Sawyer.

BENJAMIN B. HILL

vs.

WILLARD W. SAWYER AND OTHERS. IN EQUITY.

Letters patent No. 185,862, granted to Benjamin B. Hill, January 2d, 1877, for an improvement in dating stamps, are valid.

There was sufficient patentable novelty in the invention.

The first claim of the patent is not infringed by a dating-stamp made in accordance with letters patent No. 287,177, granted to Willard W. Sawyer, October 23d, 1883.

(Before COXE, J., Southern District of New York, June 17th, 1887.)

COXE, J. This is an equity action for infringement, founded upon letters patent, No. 185,862, granted to the complainant, January 2d, 1877, for an improvement in dating-stamps. The object of the inventor is to provide a cheap hand-stamp with which the year, month and day may be printed, to represent any given date. The invention consists of a stamp the case of which is made in two parts. A series of rolls are arranged within the case and there is a fixed bridge at its lower end. Endless rubber bands pass around these rolls and also around or over the bridge. By turning the rolls in one direction the figures or letters upon the bands will be successively brought into position for printing and supported there by the square edge at the bottom of the bridge. The invention also consists of an annular recess around the rolls, where the bands have their bearing, filled with any substance which will adhere to the bands and thus increase traction, prevent slipping and aid in bringing the characters upon the rolls into the proper positions for printing. The only claim involved is as follows: "1. The combination of a series of endless rubber printing-bands, a corresponding series of revolving rolls, and a bearing, H, to support

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the type when being moved and used to print, all substantially as and for the purpose described."

The defences are, *first*, that the patent is void for lack of novelty and invention; *second*, that one R. H. Smith, and not the patentee, was the inventor; *third*, that the defendants do not infringe. Without entering minutely into the prior art, it may be said, generally, that, at the date of the invention, in the fall of 1875, endless printing-bands, having raised letters thereon, passing around a traction wheel at the top and a fixed bearing at the bottom, hand stamps having a series of endless rubber printing-bands extending around a central elliptical core, the lower end of which has a square edge and operates as a fixed bearing, and hand-stamps having endless rubber bands passing around two rollers, so arranged that, in printing, the lower roller is held stationary, were all old. So were hand stamps with rubber strips attached to spools, upon which they are wound and unwound over a fixed bridge, where the characters are brought into position for printing. Various hand-stamps employing metal type upon wheels and chains were also well known. In fact, it may be fairly stated that each element of the combination of the first claim is found in the prior art. Sometimes, also, two of them are found combined in analogous situations. For instance, had Dorman introduced the Davis traction wheel to advance each of the bands around the fixed bearing at the bottom of his core, he would have anticipated the complainant's invention. It must be admitted, however, that the combination in question is not found in its entirety in any of the references, and, although it did not require a high order of genius to produce it, yet sufficient inventive knack and intellectual dexterity are found there to rescue the patent from the accusation that it is void for want of patentable novelty. Especially is this true in view of its reception by the trade and the marked recognition of its validity by the defendant Sawyer. (*North American Iron Works v. Fiske*, 30 *Fed. Rep.*, 622; *Wilcox v. Bookwalter*, 31 *Fed. Rep.*, 224; *Smith*

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v. *Dental Vulcanite Co.*, 93 U. S., 486, 495; *Lindsay v. Stein*, 20 Blatchf. C. C. R., 370.)

The defence that the invention in question was made by Smith rather than the patentee is hardly sustained by the proofs. The testimony of the defendants in this behalf is successfully met by that of the complainant, the latter being supported by the very strong presumption arising from the patent itself. If Smith were the inventor it is hardly probable that he would have permitted the complainant to take out a patent without stronger protest than the record discloses. At least, he would have required some tangible and definite acknowledgment of his rights.

Do the defendants infringe? This question is a perplexing one, and the solution of it is surrounded by unusual difficulties. An examination of the authorities in analogous cases, however, has confirmed and strengthened the impression formed at the argument, that the defendants do not infringe. The construction placed upon the claim, in view of the restricted theatre of operation, must necessarily be a narrow one.

The defendants contend that it is necessary to include the frame as an implied element of the combination, not only because the prior art limits the invention to the precise form described, but also because the patentee himself so limits it, by the minute and careful description of the frame in the specification, and the specific reference in the claim to the bearing H, which, as a part of the frame, is cast in two halves and in that form is not found in the defendants' stamp. There are many authorities which seem to justify even so limited a construction. In *Bragg v. Fitch*, (121 U. S., 478,) the Supreme Court says: "It is obvious from the foregoing review of prior patents, that the invention of Bristol, if his snap-hook contains a patentable invention, is but one in a series of improvements all having the same general object and purpose; and that, in construing the claims of his patent, they must be restricted to the precise form and arrangement of parts described in his specification, and to the purpose

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indicated therein." (*Sharp v. Riessner*, 119 U. S., 631; *Gage v. Herring*, 107 U. S., 640; *Railroad Company v. Mellon*, 104 U. S., 112; *Snow v. Lake Shore Railway Co.*, 121 U. S., 617.)

Although the construction urged by the defendants is, perhaps, unnecessarily severe, it is quite clear that a broad construction is impossible, and that the patentee must, at least, be confined strictly to the combination, the elements of which and their mode of operation are specifically described and distinctly claimed by him.

The defendants' stamps are made under letters patent granted to the defendant Sawyer, October 23d, 1883. The bands are moved around and upon a supporting frame or core, the bottom of which forms a fixed bearing. At the top of the frame are three small rollers, whose function is to relieve the friction of the bands passing over the top of the core. These rollers are not found in the Sawyer patent. The bands are turned by three toothed wheels, placed near the bottom of the frame, which bear against the bands and press them into the concavities of the core. The cogs on these wheels catch the projecting characters on the bands, and, as the wheels turn, the bands are fed around and the letters and figures are brought into the desired position beneath the frame to make the imprint. The upper or anti-friction rollers do not operate to feed the bands around, they have not sufficient traction for that purpose, nor is their presence necessary to hold the bands up tightly against the bearing at the bottom of the core. Clearly these are not the rolls of the patent. The action of the toothed wheels is that of the rack and pinion. The bands are not held in tension, which is essential to the proper action of the complainant's device, but are comparatively loose around the core. If the adhesive function of the complainant's drums were removed so that the bands could be moved easily and without friction, and between the drums and the bridge a spur wheel were introduced, the cogs of which would engage the type, and thus force the bands along, it would be the de-

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fendants' apparatus. But would it then be the patented apparatus? Would it not rather be the Dorman device, plus the cog wheels?

The Court does not lose sight of the able and persuasive argument of the counsel for the complainant, that the defendants' stamp contains a series of endless rubber printing bands, a fixed bearing over which they revolve and which supports the characters in a position for printing, and a series of three toothed wheels, which operate to revolve, and, to some extent, support the bands, the cogs being but an exaggerated roughness for producing traction. Nevertheless, the defendants' rolls are not the rolls of the patent, and, although they produce similar results, they cannot be regarded as equivalents. This case, it is thought, belongs to that class of inventions where the doctrine of equivalents cannot be invoked to suppress improvements on a well known machine. Where change of form or combination only is involved, each inventor must be content with the structure described and claimed by him. (*McCormick v. Talcott*, 20 How., 402; *Burr v. Duryee*, 1 Wall., 531; *Railway Co. v. Sayles*, 97 U. S., 554.)

The relative rights of those who have improved the hand-stamp are well described by the patentee himself, in a circular put out by him in answer to what he regarded the unfounded claims of Dorman. He says, "Dorman is entitled to his special combination of endless bands, with the particular device shown and claimed in his patent, and on the same ground am I entitled to the combination of endless bands with the device shown in my invention." And he might have added: "Sawyer is entitled to the endless bands combined with the devices shown by him."

The idea is, with even greater clearness, expressed by the expert witness for the complainant, as follows: "Most of the great inventions of the day are brought about by a series of steps; one inventor may have conceived a new style of implement, but without putting it in such a form as to be a practically operative device; another inventor goes a step

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further, and another inventor further still, and so on through a series of steps, until some inventor devises the idea and embodies it in such form as to make what was before an impracticable one. This last inventor may not have devised any radically new element or added to the machine anything of itself novel, but he may have so combined old elements in such a novel way as to produce a great improvement on the state of the art existing before his invention. This appears to me to be the case of the Hill patent under consideration. Each of the elements he introduced into his stamp is old separately considered, but I do not understand it to be necessary, in order to make an invention, that any single element or a combination shall be broadly new."

It is of this class of inventions that the Supreme Court, in *Railway Co. v. Sayles*, (*supra*), at page 556, says: "If one inventor precedes all the rest, and strikes out something which includes and underlies all that they produce, he acquires a monopoly, and subjects them to tribute. But if the advance towards the thing desired is gradual, and proceeds step by step, so that no one can claim the complete whole, then each is entitled only to the specific form of device which he produces, and every other inventor is entitled to his own specific form, so long as it differs from those of his competitors, and does not include theirs.

The combination of the defendants is not the combination of the first claim of the patent and it must be held that they do not infringe. (*Brooks v. Fiske*, 15 How., 212; *California Paving Co. v. Schaliche*, 119 U. S., 401; *Hartshorn v. Saginaw Barrel Co.*, 119 U. S., 664; *Grier v. Wilt*, 120 U. S., 412; *Newton v. Furst & Bradley Co.*, 119 U. S., 373.)

It follows that the bill must be dismissed.

Frederic H. Betts and *J. E. Hindon Hyde*, for the plaintiff.

Arthur V. Briesen and *Manuel A. Kursheedt*, for the defendants.

The National Bank of the Republic, of New York v. The City of St. Joseph.

THE NATIONAL BANK OF THE REPUBLIC, OF NEW YORK

vs.

THE CITY OF ST. JOSEPH.

Explicit provisions in a statute, comprehending in terms a whole class of cases, are not to be restrained by applying to those cases an implication drawn from subsequent words, unless that implication is very clear, necessary and irresistible.

The order of arrangement of the various sections of a legislative Act is never, independently of other circumstances, worthy of consideration in interpretation.

The power to issue municipal bonds in aid of an extraneous object is derived exclusively from the legislative authority of the State, and the laws which confer it enter into and form a part of the bonds themselves, as much so as if they were expressly referred to or incorporated in them.

(Before WALLACE, J., Southern District of New York, June 21st, 1887.)

WALLACE, J. This action has been tried before the Court, a trial by jury having been waived. By stipulation the question for determination is, whether the facts set up in the answer are a defence.

The action is upon certain interest coupons from bonds issued by the defendant, a municipal corporation of Missouri, to the St. Joseph Bridge Building Company, in payment of a subscription by the defendant for the capital stock of that company. The bonds are dated July 1st, 1871, and are payable to the St. Joseph Bridge Building Company, or bearer, twenty years after date, at the National Bank of Commerce in the city of New York, with interest at the rate of ten *per centum* per annum, payable semi-annually, at said bank, on the first days of January and July of each year, upon the presentation of interest coupons. The action is founded on the January coupons of 1887. The defence made by the answer is, that the defendant had a right to call in and

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pay the bonds before maturity, and at any time, pursuant to the statutes under which they were issued; and that, in the exercise of that right, prior to July 1st, 1886, the defendant paid the whole amount of principal, together with the interest which would accrue upon the bonds to that date, at the place of payment designated in the bonds. The holders of bonds and coupons have refused to receive the money thus paid or to surrender the obligations. By reason of this tender, interest ceased to accrue on the bonds on the 1st day of July, 1886, if the defendant had the right to pay them off. Hence, the question to be determined is, whether the bonds were subject to the defendant's option to pay them before maturity.

The bonds were issued pursuant to the authority conferred upon the defendant by an Act of the General Assembly of Missouri, of March 3d, 1855, (*Laws of 1855, p. 345,*) as amended by the Act of March 24th, 1870. These are Acts to amend the charter of the defendant. The Act of 1870 has no bearing upon the present question and need not be referred to. The case turns upon the meaning and effect of three sections of the defendant's charter, which read as follows: "§ 2. To provide for giving to any person, to whom the city may be indebted, and who may agree to receive the same, the bonds of the city, payable in any length of time, and bearing any rate of interest not exceeding ten *per cent.* per annum, that may be agreed upon. § 3. It shall be the duty of said mayor and councilmen to provide for the prompt annual payment of the interest upon all bonds issued by the city, and for this purpose they shall, by ordinance, set apart enough of the annual revenue of the city to meet said interest, or they may, in lieu thereof, levy and collect a special annual tax upon real and personal property within the city, not exceeding one per cent. upon the assessed value thereof, which shall be applied exclusively to the payment of said interest, and in liquidation of the city debt; *provided*, that nothing herein shall be so construed as to prevent said mayor and councilmen from calling in and paying off, at any time

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they may deem proper, the whole or any part of said bonds, and if the principal of any such bonds or any part thereof shall be tendered to the holders of the same, and they shall neglect or refuse to receive it, all interest shall cease on the sum so tendered, from the date of said tender. § 4. The mayor and councilmen shall have power to subscribe for the capital stock of railroads terminating at or near said city, or for the stock of any other improvements tending to promote the general interest and property of the city; to issue the bonds of the city for said subscription, and provide, by special tax or otherwise, for the payment of the calls due on said stocks, and interest due on said bonds, and the payment of said bonds when due; *provided*, the proposition to subscribe for such stock, specifying the nature, amount and terms of said subscription, and the manner in which the same is to be met and liquidated, by special tax or otherwise, be first submitted to a vote of the owners of real estate in said city, and shall have received the sanction of a majority of the owners of such real estate, who alone shall be entitled to vote on such proposition; *and provided further*, that the special tax authorized in this section, and in section third of this Act, shall never jointly exceed one per cent. upon the assessed value of the property in said city."

The proposition seems almost too plain to require discussion, that it is the intention of section 2, evinced in plain and explicit language, to empower the mayor and councilmen to call in and pay off, whenever they may deem it proper to do so, the whole or any part of the bonded indebtedness of the city. The exercise of the power, though permissive merely in its terms, is a duty which these officers are bound to fulfil. (*The Mayor v. Furze*, 3 Hill, 612; *Supervisors v. United States*, 4 Wall., 435.) It is a power given to them as a trust to be held and exercised for the benefit of the public, from time to time, as occasion requires, and cannot be effectually abridged by their own acts. (*Dillon on Mun. Corp.*, secs. 61, 62.) The provision which declares that interest shall cease if the holders of the bonds refuse to receive the princi-

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pal when tendered, demonstrates unmistakably that the legislature intended to engraft the option into the bonds and place it beyond the power of the municipal authorities to bind their successors in office by a different contract. There is no qualifying language in section 3, which limits the operation of the proviso to bonds issued under section 2, but the proviso applies unequivocally to "all bonds issued by the city." These words describe necessarily not only the bonds created for general purposes under section 2, but also those created for special objects under section 4. Upon the general principles of the interpretation of statutes, where the words are general, the Courts are not at liberty to insert limitations not called for by the sense, or the objects, or the mischiefs, of the enactment. (*United States v. Coombs*, 12 *Peters*, 72.)

It is to be observed that the three sections cover the whole subject of municipal power and duty in respect to creating and discharging bonded indebtedness. Section 2 confers plenary powers upon the mayor and councilmen to create bonds for any debt contracted within the scope of the municipal authority. Section 4 confers power upon these officers to create bonds for certain specified extra-municipal objects, when sanctioned in advance by a vote of tax-payers. Section 3 devolves upon these officers the duty of providing, by special taxation, or otherwise, for the payment of the annual interest on the whole bonded debt, authorizes them to call in and pay off the principal, or any part of it, at any time, restricts them from levying taxes beyond a fixed annual limit, and prevents them from abridging the right of their successors to call in and pay bonds before maturity, by depriving the bondholders of interest after a tender of the principal. This section is declaratory of the policy of the legislature upon all these subjects, and defines the duties and powers of the mayor and councilmen concerning "all bonds issued by the city." Explicit provisions in a statute, comprehending in terms a whole class of cases, are not to be restrained by applying to those cases an implication drawn from subsequent words,

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unless that implication is very clear, necessary and irresistible. (*Faro v. Marsteller*, 2 Cr., 10.) Section 4 is ancillary and subordinate to sections 2 and 3; it is intended to confer an authority which is never implied, which can only exist by express legislative sanction, and which, when granted, is invariably guarded by limitations and conditions calculated to check abuses in its exercise. No reason has been suggested, and none can be conceived, why the legislature should intend to clothe bonds issued under such an authority with special privileges. Certainly no such intention can be implied, when this would be inconsistent with the scheme of municipal duty in respect to bonded debts generally. That section 4 is intended to be subordinate to section 3 is shown by the proviso, which requires that the special tax authorized for the payment of the interest and principal of the bonds shall be included in the limitation of the third section respecting a special annual tax. If section 4 had preceded section 3, in the order of arrangement of the several sections, or if sections 2 and 4 had been transposed, there would be nothing in the language of either section upon which to hinge a doubt. The order of arrangement of the various sections of a legislative Act is never, independently of other circumstances, worthy of consideration in interpretation. The contention of the plaintiff is built wholly upon the words of section 4, which confer power upon the mayor and councilmen to issue bonds for subscriptions and provide for the payment of the interest "and the payment of said bonds, when due." The argument is, that, because the mayor and councilmen are to provide for the payment of the principal of these bonds "when due," they are impliedly prohibited from doing so before the bonds fall due. But the injunction to provide for the payment of the bonds when due does not forbid the exercise of the right to pay them before they fall due; much less is it inconsistent with the duty to pay them when the public interests require this to be done. Certainly the language of the 4th section no more evinces the intention of the legislature to permit the mayor and councilmen to bind the city by issuing bonds

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which cannot be retired before the principal becomes due, than does that of the 2d section, which authorizes them to issue bonds "payable in any length of time." Both sections permit them to issue bonds which will not mature before a fixed date, but neither permits them to abridge or impair the right created for the protection of the city by the proviso of section 3.

Although the plaintiff is a holder for value, and before maturity, of the coupons in suit, the defence asserted must prevail. A municipal corporation cannot, without legislative authority, issue bonds in aid of any extraneous object. Every person dealing with such corporation must, at his peril, take notice of the existence and terms of the law by which it is claimed the power to issue such bonds is conferred. The power to issue such bonds is derived exclusively from the legislative authority of the State, and the laws which confer it enter into and form a part of the bonds themselves, as much so as if they were expressly referred to or incorporated in them. The holder of a municipal bond is chargeable with notice of the statutory provisions under which it was issued. (*Anthony v. County of Jasper*, 101 U. S., 693, 697; *Ogden v. County of Daviess*, 102 U. S., 634; *Northern Bank v. Porter Township*, 110 U. S., 608, 618.) By the terms of the statutory authority it was a condition of the present bonds that interest should cease upon a tender of the principal by the defendant at any time. As has been said, it was beyond the power of the mayor and councilmen to curtail or impair the effect of this condition by issuing bonds of a different tenor. It follows, that judgment must be directed for the defendant.

Noel B. Sanborn, for the plaintiff.

John F. Dillon and *James Limbird*, for the defendant.

The Diamond Match Company v. The United States.

THE DIAMOND MATCH COMPANY, PLAINTIFF IN ERROR

v8.

THE UNITED STATES, DEFENDANTS IN ERROR.

A bond given to the United States to obtain a concession from the Commissioner of Internal Revenue as to keeping on hand internal revenue stamps printed from a die furnished by a manufacturer of matches, under § 3,423 of the Revised Statutes, as a matter of favor and not of right, was a valid bond.

(Before WALLACE, J., Connecticut, June 24th, 1887.)

WALLACE, J. This writ of error is brought to review a judgment of the District Court in favor of the United States and against the plaintiff in error. The action was, by stipulation, tried before a referee. The findings of the referee were confirmed by the District Court. The suit was brought upon a bond containing the following conditions: "The conditions of the foregoing obligation are such, that, whereas the said Diamond Match Company is a proprietor of articles subject to stamp duty under schedule A, and under the provisions of section 3,423 Revised Statutes of the United States, has furnished, without expense to the United States, its own dies or designs for stamps to be used thereon; and whereas the said Diamond Match Company is desirous of avoiding the delays in the receipt of such of the aforesaid stamps as it may, from time to time, order, which would be unavoidable if the same were not printed and prepared for issue prior to the receipt of the order by the Commissioner of Internal Revenue; and whereas the said the Diamond Match Company has requested, or may hereafter request, the Commissioner of Internal Revenue to prepare and hold, subject to its order, and to keep at all times on hand, an estimated three months' supply of the stamps aforesaid, the esti-

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mate of such supply having been made and filed with the said Commissioner of Internal Revenue by the said the Diamond Match Company: Now, therefore, if the said the Diamond Match Company shall, whenever requested so to do by the said Commissioner of Internal Revenue, well and truly pay, or cause to be paid, to the Treasurer of the United States, for the use of the United States, all and every such sum or sums of money as the Commissioner of Internal Revenue shall certify to have been paid by the United States for the paper, printing, gumming, and perforating, and preparing for issue, of the stamps herein referred to, the same having been prepared in accordance with the estimate of the said the Diamond Match Company, which may at any time be found by said Commissioner to have been printed for a longer period than three months, (exclusive, however, of such stamps as may have been printed within the three months next preceding the expiration, by repeal or otherwise, of all laws requiring the use thereof,) but not purchased by the said the Diamond Match Company, then this obligation to be void and of no effect; otherwise, to be and remain in full force and virtue."

It appears, by the record, that, prior to the repeal of the law imposing a tax on matches, the Government kept on hand two kinds of internal revenue stamps; first, general stamps, of a common design, and for sale to and used by all parties who might need them; secondly, private die-stamps, which were printed from dies, engraved for particular parties, from special designs, each party providing at its own expense and owning its die and plate, and being alone entitled to receive stamps printed therefrom. The present controversy relates to the second kind of stamps named. Before September 30th, 1875, it had been the custom of the Government to allow, without any indemnity against loss, the printing of private die-stamps in accordance with the estimates that the die owners furnished of their anticipated needs. Shortly before that date it was discovered that large quantities of such stamps were on hand, which had been printed in accord-

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ance with the estimates therefor, and had never been purchased, and which never would be purchased, because the parties who had given the estimates, and for whom the stamps were printed, had gone out of business. Thereupon the Commissioner of Internal Revenue established a regulation promulgated in a circular of the date of September 30th, 1875, which was as follows: "It appears that it has heretofore been the practice of this Office to print supplies of private-die proprietary stamps, in anticipation of orders therefor from the person, firm or corporation furnishing the design, and, in the event of the failure, or retirement from business from any cause, of such person, firm, or corporation, the Government has been subjected to a loss of the amount expended for paper and the printing and preparation for issue of the stamps left on hand. It is believed that this Office is not warranted in subjecting the Government to losses of this character, and that the printing of private die-stamps before the receipt of orders therefor should be discontinued, or that proper measures should be taken to secure the Government against losses arising from such printing. In future, therefore, such persons, firms, or corporations as order stamps printed from private dies, and desire to avoid the delays consequent upon the printing and preparation of the stamps, subsequent to the receipt of an order therefor, will be required to execute and file in this Office a bond conditioned for the payment to the Treasurer of the United States, for the use of the United States, whenever so required by the Commissioner of Internal Revenue, of such sum or sums as may have been paid by the Treasury Department for the paper upon which the stamps are printed, together with the printing, perforating, gumming, and preparing for issue, of private-die proprietary stamps, not exceeding an estimated three months' supply, as may be prepared under the directions of the Commissioner of Internal Revenue, in accordance with the estimate and request of the person, firm, or corporation ordering the same. After the approval of the bond, or simultaneously with the filing.

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thereof, an estimate of a three months' average consumption of stamps should be made by the person, firm, or corporation desiring stamps printed in anticipation of orders, and the same should be accompanied by a request that such number be printed and kept continuously on hand, awaiting orders therefor."

The bond in suit was executed by the Diamond Match Company at the request of the Commissioner of Internal Revenue, and in pursuance of the regulation set forth, after the company had ineffectually tried to induce the Commissioner to recede from his regulation. In April, 1881, the Diamond Match Company became the successor of several match manufacturing companies which had previously existed, was thereafter the owner of 31 dies, was the largest match manufactory in the country, and was continuously needing from 300,000 to 400,000 stamps per month during the busy season of the year. It was a convenience to the company that the Government should have on hand constantly an adequate supply of stamps printed on its own dies, so that orders could be immediately filled, and it was also of pecuniary benefit not to be compelled to anticipate what quantity would be required in advance, and order the printing in advance from time to time, and pay for the deliveries of stamps, as they might be made under such order. On May 26th, 1881, the company gave the Commissioner of Internal Revenue its estimate of a three months' supply of its stamps for use, which was 67,750,000 and requested that that number be kept on hand. Afterwards, on January 27th, 1882, the defendant requested that 1,890,000 more stamps should be kept on hand by the Commissioner of Internal Revenue. Thereafter the quantity thus requested, prepared ready for use, was kept in stock by the Commissioner. By the Act of March 3d, 1883, the tax imposed upon matches by section 3,419 of the Revised Statutes was repealed, the Act to take effect July 1st, 1883, and the day after the repeal statute took effect the Internal Revenue Department had on hand 43,133,741 stamps printed from the private dies of the

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company, at its request. The expense of manufacturing these stamps had been \$4,364.37.

It is now alleged as error, that the bond in question was not required or authorized by law and was exacted by the Commissioner of Internal Revenue *colore officii*, and is, therefore, void. No other errors are alleged by the plaintiff in error. The real question to be determined is, whether there was a valid consideration for the bond. No statute directed the Commissioner of the Internal Revenue to require, or prescribed the giving of, such a bond. But it cannot be maintained that the bond was not given voluntarily, or was exacted *colore officii* by the Commissioner, if it was given by the obligor in order to promote its own convenience, and obtain an accommodation in the transaction of its business with the Internal Revenue department, which the Government was under no obligation to provide.

As early as in the case of *United States v. Tingey*, (5 Pet., 115,) it was held, that a bond not prescribed by law, but voluntarily given to the United States, is a valid obligation; that the United States have a right to enter into a contract not prohibited by law and appropriate to the just exercise of their powers, through the instrumentality of the proper department to which those powers are confided; and that the right to take a bond to secure the Government for public moneys entrusted to an agent is an incident to the duties belonging to such a department. The doctrine of that case was reiterated in *United States v. Bradley*, (10 Pet., 343,) and has been followed in *Tyler v. Hand*, (7 How., 573;) *United States v. Hodson*, (10 Wall., 395;) and *United States v. Mora*, (97 U. S., 413.) In *Jessup v. United States*, (106 U. S., 147,) the Court held that a bond taken by the Commissioner of Internal Revenue, payable to the United States, conditioned that a manufacturer should pay such sum as he should owe the United States for adhesive stamps, although taken without the authority of a statute, was binding at common law.

It is, therefore, only necessary to inquire whether the obligor in the present bond executed it in order to obtain a

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concession which was a matter of favor and not of right. The system of requiring taxes to be paid by the use of stamps was adopted for the convenience of the Government and not for the accommodation of tax-payers, and undoubtedly contemplated that the department charged with the administration of the internal revenue laws should provide the stamps required by the exigencies of its business, and be at all times prepared to furnish them to those who were entitled to use them. One of its provisions enacted, that any proprietor of certain specified articles subject to stamp tax, including matches, should have the privilege of furnishing his own dies or designs for stamps to be used thereon to the Commissioner of Internal Revenue, and directed the Commissioner to cause stamps to be made from such dies for the separate use of such proprietor; and, when such stamps were used, dispensed with some of the formalities for cancellation prescribed when ordinary stamps were used. (*Sec. 3,423 U. S. Rev. Stat.*) This was a provision for the accommodation of the manufacturer. He was not required to avail himself of it, but could use ordinary stamps if he preferred. Neither this section, nor any other provision of the internal revenue law in force when the present bond was executed, required the Commissioner of Internal Revenue to keep on hand, in advance of orders from the manufacturer, such a quantity of stamps printed upon the die of the particular manufacturer as the manufacturer might desire, or any particular quantity. If it should be conceded that it was the duty of the Commissioner of Internal Revenue to keep on hand such a quantity of stamps as a manufacturer of matches might at any time desire to purchase, either for cash or on a credit of sixty days, under section 3,425 United States Revised Statutes, it was not his duty, except so far as in his discretion the needs of the department might require it to be done, to keep on hand, in advance of a purchase or order, any specific quantity of stamps made upon the dies of a particular manufacturer. He was under no obligation to print stamps in advance of orders and run the risk of the loss which might ensue when

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the stamps were prepared for the use of particular persons who might not need all that were prepared, or might go out of business, or might prefer to purchase or order the ordinary stamps. No duty to the manufacturer required this by implication, because the manufacturer could always procure the ordinary stamps, which it is to be assumed the department would have at all times on hand, or he could, at his option, purchase, in advance of his present needs, anticipating the future exigencies of his business, and rely upon obtaining a repayment of the amount paid for those not used, under the provisions of section 3,426 United States Revised Statutes.

In this view the regulation of the Commissioner of Internal Revenue under which this bond was given was a just and wise one. It was calculated to indemnify the Government against the risk of loss which those who desired to avail themselves of exceptional facilities in their business with the department could not expect the Government to assume. The bond was given to obtain an accommodation which the Commissioner of Internal Revenue might properly extend, but which he was not required by law to give.

The judgment of the District Court is affirmed.

Green B. Raum, for the plaintiff in error.

Lewis E. Stanton, (*District Attorney*,) for the defendants in error.

GILBERT MANSON AND OTHERS

vs.

THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD
COMPANY.

In this case the consignee of a cargo was held liable, under a bill of lading, for demurrage for detaining the vessel, where she was without fault.

(Before WALLACE, J., Connecticut, June 24th, 1887.)

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WALLACE, J. This is a libel *in personam*, for demurrage. The District Court decreed in favor of the libellants and the respondent has appealed. The libellants are the owners of the schooner Sutton, the master of which received on board, at Baltimore, a cargo of coal, to be transported to the port of New Haven. By the bill of lading the master undertook to deliver the cargo to the appellant, the consignee therein named, at the "Consolidated Road Docks, New Haven." The clause in the bill of lading as regards demurrage is as follows: "And 24 hours after the arrival at the above named port and notice thereof to the consignee named, there shall be allowed for receiving said cargo at the rate of one day, Sundays and legal holidays excepted, for every hundred tons thereof, after which the cargo, consignee or assignee shall pay demurrage at the rate of eight cents per ton a day, Sundays and legal holidays not excepted, upon the full amount of cargo, as per this bill of lading, for each and every day's detention, and *pro rata* for parts and portions of a day, beyond the days above specified, until the cargo is fully discharged; which freight and demurrage shall constitute a lien upon said cargo." The consignee had several docks at the port of New Haven. The Sutton arrived at New Haven harbor at midnight January 30th, 1885, and reported at 2 o'clock P. M. the next day to the agent of the consignee. This agent directed the master of the Sutton to discharge the cargo at one of the docks of the consignee called the "Shop dock." A vessel was then lying at that dock, having just discharged her cargo. The basin in which that dock was situated was connected with the main channel of the harbor by an artificial channel of about 80 feet wide and about 10 feet deep at low tide. The master told the agent that he would try and take his vessel there on the first tide, which would be that night. The agent replied that another vessel, the Crescent, was to go in first, and that he did not want two vessels there at the same time. On the next day the Crescent went to the Shop dock and the Sutton was towed to the entrance of the Shop dock channel. While the Sutton was waiting there for the Cres-

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cent to be discharged and come out, and before that vessel came out, and by February 3d, ice formed in the channel, of such thickness that the Sutton could not proceed; and this state of things continued until March 6th. On February 5th the consignee's agent directed the master of the Sutton to proceed and discharge his cargo at the Shop dock. The master offered to take the Sutton through the channel, and discharge as requested, if the consignee would pay the expense of having a passage broken through the ice. The agent of the consignee refused to do this; the master of the Sutton refused to discharge at the Shop dock; and the agent of the consignee insisted that he wanted the cargo discharged there. It would have involved a very considerable expense, especially to the libellants, to break a passage through the ice to the Shop dock. At this time, and all the time after the consignee was notified of the arrival of the Sutton, Belle dock, another of the consignee's docks, was accessible, and the master of the Sutton offered to discharge his cargo there; but the consignee's agent would not consent, because the convenience of the consignee required the coal to be discharged at the Shop dock. Matters remained in this situation until February 16th, when an arrangement was made between the parties, by which the cargo was to be discharged at another place, without waiving the rights of either, and, under that arrangement, the discharge was immediately begun and was completed February 23d.

The foregoing are the essential facts upon which the case turns. Demurrage was allowed by the District Court for a period of ten days, commencing on February 13th, in the sum of \$784. The appellant contends that the Sutton was under obligation to proceed to the Shop dock, that being the place of delivery designated by the consignee; and that no liability for demurrage arises because she had not completed her voyage prior to February 16th, and was not prepared to make delivery of the cargo at the proper place.

The decision of the learned District Judge recognized the rule, that, when a bill of lading designates a particular dock,

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at the port of delivery, where the cargo shall be discharged, the carrier can make no claim for demurrage for any detention arising from the state of the elements, prior to the arrival of the ship at the particular place. His decision was placed upon the ground, that, under this bill of lading, the consignee had the right to designate which one of the several docks constituting the Consolidated Road Docks named in the bill of lading, should be the place of discharge, provided the one selected was accessible to the Sutton within a reasonable time, and by the use of reasonable means, and he held the consignee liable because the dock selected was at the time inaccessible, and the detention arose without fault of the carrier, and while the vessel was waiting for an opportunity, pursuant to the instructions of the consignee, to get to the dock designated.

The decree below is not one of which the appellant can reasonably complain. If the libellants had appealed, they would have been entitled to recover one day's demurrage more than was allowed by the District Court.

The law undoubtedly is, that the obligation of the carrier is not alone to carry the cargo, but is, in addition, to deliver it at the place of discharge in the port of destination mentioned in the bill of lading; and the consignee incurs no liability for demurrage until such delivery is made or tendered. (*M'Intosh v. Sinclair*, 11 *Ir. C. L.*, 456; *Aylward v. Smith*, 2 *Lowell*, 192; *Parker v. Winlow*, 8 *Ell. & B.*, 942; *Hodgdon v. R. R. Co.*, 46 *Conn.*, 277.) It is equally well settled, that, where the bill of lading allows a given number of days to the consignee for unloading, a contract is implied, on his part, that, from the time the ship is at the usual place of discharge, he will take the risk of any ordinary vicissitude which may occur to prevent the release of the ship at the expiration of the running days. (*Tiss v. Byers*, 34 *L. T., N. S.*, 526; *Randall v. Lynch*, 2 *Camp.*, 352; *Cross v. Beard*, 26 *N. Y.*, 35). The place of discharge designated in this bill of lading was any one of the several docks of the consignee, known as the Consolidated Road Docks; and there was no proof of

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any usage or custom by which any particular one of these docks was to be treated as the place of discharge. Under this bill of lading the consignee had the right, and it was its duty, to designate a suitable place for the discharge of the cargo, within 24 hours after notice of the vessel's arrival. This follows, not merely from the fact that delivery of the cargo was to be made at any one of several docks belonging to the consignee, all of which ordinarily were equally convenient, or practically so, for the carrier; but because the peculiar phraseology of the demurrage clause implies that the parties to the bill of lading intended that the consignee should have 24 hours in which to select a suitable place of discharge, after notice of arrival of the vessel. (*The Boston*, 1 *Lowell*, 464.) The bill of lading thus prescribes what time is to be deemed a reasonable time on the part of the consignee in which to provide a suitable place for the discharge of the cargo, and exonerates him from liability for any delay occurring during that period without his fault; but it also imports a promise on his part that the running days in which the vessel is to be discharged shall commence at the expiration of the 24 hours. (*Choate v. Meredith*, 1 *Holmes*, 500.) Any detention of the vessel from that time, which occurs without the fault of the carrier, is at the risk of the consignee.

The Court below adopted a view more liberal to the consignee. It is plain that, until February 3d, the master of the Sutton was ready to deliver his cargo, and could have made delivery at any one of the docks of the consignee; but the Court found, and the proofs sustain the finding, that the master of the Sutton was induced to delay proceeding to the Shop dock, for the convenience of the consignee, and waited at a place as near that dock as he could get, in pursuance of the instructions of the consignee, until the ice prevented him from reaching it. He then offered to discharge at another of the docks named in the bill of lading, which was then accessible; but permission to do so was refused by the consignee. Under such circumstances it is not open to fair doubt that the consignee took the risk of any detention of the vessel by

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vis major, while it was waiting to get access to the Shop dock. (*Tapscott v. Balfour*, *L. R.* 8 *C. P.*, 46; *Jones v. Adamson*, 35 *L. T.*, *N. S.*, 287.) The consignee cannot be heard to allege that the master was in fault for complying with its own instructions, or that the libellants are in any different position than they would be in if the detention of the Sutton had occurred at the Shop dock after she had reached that place.

The decree of the District Court is affirmed, with interest and costs.

John H. Whiting and *William K. Townsend*, for the plaintiffs.

Johnson T. Platt, for the defendant.

THE UNITED STATES EX REL. FERDINAND SEEGER

vs.

HENRY G. PEARSON, POSTMASTER.

The Circuit Court of the United States has no jurisdiction to compel a postmaster, by mandamus, to transmit mail matter at a lower rate of postage than that charged.

(Before BROWN, J., Southern District of New York, June 29th, 1887.)

BROWN, J. The relator alleges that he is the editor and proprietor of a newspaper periodical called "Medical Classics," and has requested the defendant, who is the postmaster of New York, to enter and transmit through the mails this publication as second class matter. This request was refused by the defendant, and the publication was charged a higher rate of postage, as third class matter, because held to be designed as an advertising medium. The relator denies any such pur-

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pose. On appeal by the relator to the first assistant postmaster-general, this refusal was sustained; and the relator brings this proceeding to compel the defendant, by mandamus, to receive and transmit the publication as second class matter.

I am constrained, by the weight of authority, to decline to entertain this proceeding by mandamus. A long line of decisions of the Supreme Court has affirmed the broad doctrine, that the Circuit Court has no jurisdiction to issue a writ of mandamus as an original proceeding; but only as ancillary to some other proceeding, or right, of which it has jurisdiction.

Considering that the 4th subdivision of § 629 of the Revised Statutes gives the Circuit Court express jurisdiction "of all causes arising under the postal laws," (*Act of March 3d, 1845, 5 U. S. Stat. at Large, 739, § 20,*) and that the 14th section of the Judiciary Act (§ 716 of the Revised Statutes) authorizes the Federal Courts to issue such writs whenever "necessary for the exercise of their respective jurisdictions, and agreeable to the uses and principles of law," it might have been inferred, in the absence of authority, that, if the relator was entitled to the relief demanded, according to the general usage and practice of the law, and if a writ of mandamus was the proper remedy for such relief, the writ might have been issued, in the exercise of the proper jurisdiction of the Court, inasmuch as the cause is one arising exclusively "under the postal laws."

Upon repeated examination of the decisions of the Supreme Court, however, I cannot find myself authorized to treat this question as an open one. In most of the cases in which the question has arisen, the Circuit Court had undoubted original jurisdiction of the subject-matter of the proceedings, under some one or other of the express provisions of the statutes, quite as clearly as its authority to determine "all causes arising under the postal laws." Nevertheless, the right to pursue the remedy by means of an original writ of mandamus has been uniformly denied. (*McIntire v. Wood, 7 Cranch, 504; McClung v. Silliman, 6 Wheat., 598;*

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Bath County v. Amy, 13 Wall., 244; *Graham v. Norton*, 15 Wall., 427; *County of Greene v. Daniel*, 102 U. S., 187; *Davenport v. County of Dodge*, 105 U. S., 237; *Rosenbaum v. Board, &c.*, 28 Fed. Rep., 223; *United States, ex rel. Weed v. Smallwood*, 1 *Chicago Legal News*, 321.)

Without considering, therefore, in what cases, or to what extent, a review of the decision of the postmaster or of the assistant postmaster-general, as respects the determination of a question of fact upon which the rating of postal matter depends, is either reviewable at all, or under a proceeding by mandamus, (see *Carrick v. Lamar*, 116 U. S., 423,) I must dismiss the application upon the ground first stated.

Townsend, Dyett & Einstein, for the relator.

Stephen A. Walker, (*District Attorney*), for the defendant.

EDWARD L. HEDDEN, PLAINTIFF IN ERROR

vs.

WILLIAM E. ISELIN AND OTHERS, DEFENDANTS IN ERROR.

The collector of a port has no right to exact from an importer a fee to be paid to a merchant appraiser for his services under § 2,980 of the Revised Statutes.

But, where the collector exacts such a fee under the direction of the Secretary of the Treasury, he is not liable to the penalty imposed by section 2,636 of the Revised Statutes.

(Before WALLACE, J., Southern District of New York, June 30th, 1887.)

WALLACE, J. This action was brought in the District Court, to recover a penalty under the provisions of section 2,636 of the Revised Statutes of the United States. The statute is as follows: "Every officer of the customs who de-

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mands or receives any other or greater fee, compensation, or reward than is allowed by law, for performing any duty or service required from him by law, shall be liable to a penalty of two hundred dollars for each offence, recoverable to the use of the party aggrieved." A verdict was rendered for the plaintiffs and the defendant brings this writ of error to review the judgment entered upon the verdict.

It appeared upon the trial, that, in July, 1885, the plaintiffs imported certain merchandise into the port of New York, of which port the defendant was collector, which was appraised for duty in advance of the invoice valuation. Being dissatisfied with the appraisement the plaintiffs gave notice of such dissatisfaction to the collector, and at the same time deposited with a clerk in the cashier's office at the custom house the sum of ten dollars, wherewith to pay a fee of the merchant appraiser on the re-appraisement. The collector was not present when the ten dollars was so deposited, but, by a regulation of the Secretary of the Treasury, (*Article 472, Regulations of 1883*,) collectors were directed not to permit a delivery to importers of merchandise re-appraised, without payment of compensation at the rate of five dollars per diem to the merchant appraiser; and, pursuant to this regulation, and in order to secure such payment, it was the practice of the collector to require such a deposit to be made. Thereupon the collector selected a merchant appraiser; the re-appraisement was made; the merchant appraiser was paid \$2.50 for his compensation; and the balance of the deposit was refunded to the defendants in error. The exaction of this sum of \$2.50 is the foundation of the present suit. It was not claimed, upon the trial, that an excessive compensation was exacted for the services of the merchant appraiser, but the theory of the action was, that there was no statute authorizing the payment of any compensation to a merchant appraiser, and, therefore, that nothing should have been exacted of the plaintiffs as compensation for his services. At the close of the evidence the Judge instructed the jury, in substance, that there was no statute which authorized the

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imposition of any charge upon the plaintiffs for the re-appraisement of merchandise; that the re-appraisement was a part of the system prescribed by law for ascertaining the value of importations; that it was a matter of right for the importer to have a re-appraisement, when dissatisfied with the appraiser's valuation; that it then became the collector's duty to appoint a merchant appraiser; and that any charge for the services of the merchant appraiser must be borne by the Government. He submitted two questions of fact to the jury, instructing them that they were to determine, first, whether the payment in question was a voluntary payment or not; and, secondly, whether the collector received the money through a subordinate as a condition of going on with the re-appraisement. Among other instructions requested in behalf of the defendant the Judge was requested to direct the jury to find a verdict for the defendant upon the ground that the evidence was not sufficient to establish a cause of action. The exception to this instruction is sufficient, in the view taken of the meaning of the statute imposing the penalty, to present the material questions now brought up for consideration.

The plaintiff in error now insists, that the ruling of the District Judge, that the charge made for the compensation of the merchant appraiser was unauthorized, is error. This objection goes to the foundation of the action.

The services for which compensation was exacted are performed by virtue of section 2,930 of the Revised Statutes of the United States, which provides, that if the importer shall be dissatisfied with the appraisement, he may forthwith give notice to the collector, in writing, on the receipt of which the collector shall select one discreet and experienced merchant, to be associated with one of the general appraisers, familiar with the character and value of the goods in question, to examine and appraise the same, and, if they disagree, the collector shall decide between them, and the appraisement thus determined shall be final and be deemed to be the true value. There is no specific provision of law declaring how

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or by whom the merchant appraiser thus selected is to be paid, or what compensation is to be allowed him for his services. Prior to the Act of August 30th, 1842, (5 *U. S. Stat. at Large*, 564, § 17,) the merchant appraisers called in upon a re-appraisement were employed by the importer, and, by the terms of the statute, "at his own expense;" but that Act vested the selection of the merchant appraiser in the collector and did not contain the provisions previously existing for their compensation. Consequently that Act left the whole subject of their compensation, and whether it is to be paid by the importer or by the Government, to implication. As the discharge of the duties devolving upon merchant appraisers was not compulsory, Congress must have contemplated that they would not serve without compensation, and that they were to be paid either by the importer, as formerly, or by the Government.

Shortly after the enactment of the Act of August 30th, 1842, the question arose in this Court, whether the fees of merchant appraisers were to be paid by the importer, and it was decided that a re-appraisement under that Act was at the expense of the importer, and he was bound to offer the fees of the appraiser, in order to put the collector in the wrong for not ordering the re-appraisement. (*Fielden v. Lawrence*, 3 *Blatchf. C. C. R.*, 120.) This question was, however, only incidentally under consideration in that case, and does not appear to have been discussed by counsel; and, as the ruling upon the other points involved was decisive, its determination was not necessary to the decision of the case and ought not to be controlling now. If there were any reason to suppose that the changes introduced by the Act of 1842 had been brought to the attention of the Court, what was said, although *obiter*, would be entitled to the highest respect, as indicating the opinion of Judges of great learning and great familiarity with all questions respecting the interpretation and construction of the revenue laws.

The plaintiff in error relies upon the construction of the law adopted by the Treasury Department, and, as is claimed,

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consistently adhered to by that Department ever since the Act of August 30th, 1842, went into effect. The only evidence in the record, of this construction, is found in the Regulation of 1883, although there is no reason to doubt the statement in the brief of the Attorney of the United States, that this regulation embodies the practice of the Treasury Department ever since the Act of 1842 was passed; and this statement is not controverted by the counsel for the defendants in error. The concession does not materially assist the plaintiff in error. Although, in the construction of a doubtful and ambiguous law, the contemporaneous and continuous construction of those who are called upon to act under the law and are appointed to carry its provisions into effect, is entitled to great respect, (*Edwards v. Darby*, 12 *Wheat.*, 206; *United States v. Moore*, 95 *U. S.*, 760; *United States v. Hill*, 120 *U. S.*, 169,) their interpretation is only controlling where the language of the law is ambiguous. The Court must look to the laws themselves, and not to the construction placed upon them by the heads of departments, although these are entitled to great respect, and will always be weighed by the Court in cases of doubt or ambiguity. There is no ambiguity, and no room for difference of opinion, as to the meaning of the language of section 2,930, nor has there been since the Act of 1842. Congress omitted to make any provision subjecting the importer to the expense of a re-appraisement, or for the compensation of merchant appraisers, in the Act of 1842, and has never made any since that Act. This may have been an oversight, but it is not the province of the Court to correct it. Equally well it may have been the deliberate purpose of Congress not to subject the importer to the expense of a re-appraisement when he was no longer permitted to select the merchant appraisers. No principle is better settled than that a tax, or charge in the nature of a tax, upon the citizen, can only be created by plain and explicit language. (*Adams v. Bancroft*, 3 *Sumn.*, 384.) Here it was sought to be raised by silence. It must be held that there was no legal authority for the exaction.

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Although the fee charged for the services of the merchant appraiser was an unlawful exaction, the plaintiffs were not entitled to recover the penalty prescribed by section 2,636. The section is obviously intended to impose a penalty as a punishment for extortion by officers of the customs, and the mere statement of the proposition that such a statute contemplates the mulcting of a collector for an act done in the honest discharge of his duty, and in obedience to the Regulation of the Secretary of the Treasury, suggests a doubt whether this statute is fairly capable of such an interpretation. Unless the language, read in connection with other statutes *in pari materia*, requires such a meaning, it is not to be supposed that Congress intended to visit an act performed from motives which the law recognizes as upright and commendable, with a severe penalty. It has always been held, that extortion proceeds only from a corrupt mind. (*People v. Whaley*, 6 Cow., 661; *Commonwealth v. Shed*, 1 Mass., 227; *Jacobs v. Commonwealth*, 2 Leigh, 709; *State v. Stotts*, 5 Blackf., 460; *Cutter v. State*, 9 Vroom, 125.)

The section is a re-enactment of section 73 of the Act of March 2d, 1799, (1 *U. S. Stat. at Large*, 680.) The original provision has never been expressly repealed, but, since it first found a place among the statutes, the revenue laws have been so completely remodelled, in reference to the liability of the customs officers for duties, charges or fees unlawfully exacted, and as respects the remedies of importers and others interested in contesting such exactions, that the provision in question has long been practically obsolete. No decision is found in the reports in which this statute has ever been resorted to as the foundation of an action; but suits to recover fees illegally exacted by customs officers have been brought in the form of the ordinary action of assumpsit. (*Ogden v. Maxwell*, 3 Blatchf. C. C. R., 319; *Barber v. Schell*, 107 *U. S.*, 617.)

By the Act of March 3d, 1883, sec. 12, (12 *U. S. Stat. at Large*, 741,) now section 989 of the Revised Statutes, Congress enacted, that when a recovery is had in any suit or pro-

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ceeding against a collector or other officer of the revenue, for any act done by him in the performance of his official duty, and the Court certifies that there was probable cause for the act done, or that he acted under the directions of the Secretary of the Treasury, or other proper officer of the Government, no execution shall issue against such collector or other officer, but the amount so recovered shall, upon final judgment, be paid out of the proper appropriation from the treasury. The effect of this statute is, when a certificate is given, to practically convert the suit against the officer into a claim against the United States. (*United States v. Sherman*, 98 *U. S.*, 565, 567.) However it may have been before, since the enactment of this provision it is plain, that the laws of Congress do not contemplate the punishment of an officer of the revenue, by penalty or otherwise, for any act done in the honest discharge of his duty, or in obedience to the direction of the head of the department.

What was left of the statute of 1799 after the Act of 1863 was still further curtailed and emasculated by the Act of June 30th, 1864, (13 *U. S. Stat. at Large*, 214,) now found in sections 2,931, 2,932, of the United States Revised Statutes. By that Act, (*secs.* 14, 15,) the decision of the collectors of customs "as to all fees, charges, and exactions of whatever character," claimed by them or any officers under them, in the performance of their official duty, was made "final and conclusive against all persons interested in such fees, charges, or exactions," unless a protest was served and an appeal taken from the decision to the Secretary of the Treasury. The Act further provided, that no suit should be maintained in any Court, for the recovery of any such fees or charges, until the decision of the Secretary on such appeal, or unless his decision should be delayed more than 90 days. The effect of this Act, in a suit brought against a collector of customs, to recover fees illegally exacted by him, was considered in this Court, in *Shaw v. Grinnell*, (9 *Blatchf. C. C. R.*, 471,) and it was held, that, the fees having been exacted by the collector in the performance of his official duty, and the plaintiff

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not having taken an appeal to the Secretary of the Treasury, the action could not be maintained, although the exaction was illegal.

Thus it appears that, at the time of the revision of the statutes, in 1873, the decision of the collector was final as to the legality of the fee exacted of an importer, unless an appeal were taken to the Secretary of the Treasury; and, whenever an officer of the customs, or any other officer of the revenue, was sued for exacting a fee, or doing any other act pursuant to the direction of the head of his department, he was entitled to a certificate, which, in legal effect, absolved him from personal liability and transmuted the cause of action into a demand against the Government. To this extent the provisions of the law of 1799 were superseded, and, if they had not been reproduced in the revision, it would seem doubtful whether they were still in force. As, however, the law was retained in the revision of the statutes, some effect and meaning must be given to it. But it is to be read in connection with the provisions of the Acts of 1863 and 1864, referred to, which are also retained in the revision. Reading the three sections together, (2,636, 989 and 2,932,) as *in pari materia*, and without reference to other provisions of the Revised Statutes which may still more restrict the meaning of section 2,636, the only effect that can be given to that section is to construe it as authorizing an action against an officer for a penalty when he has exacted fees under circumstances which do not entitle him to a certificate pursuant to section 989, and after the person aggrieved has taken an appeal to the Secretary of the Treasury, pursuant to section 2,932. If, upon an appeal to the Secretary of the Treasury, that officer adopts and sanctions the act of the collector, or other officer of customs, charged with exacting an illegal fee, it may well be assumed that the exaction was of a character which entitles the officer to a certificate of probable cause.

The evidence upon the trial of this action did not tend to make a case falling within the section as thus construed.

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On the contrary, it showed that the defendant exacted the fee charged for the services of the merchant appraiser, in pursuance of the Regulations of the Secretary of the Treasury. The defendant was, therefore, entitled to the instruction that the evidence was not sufficient to establish a cause of action.

The judgment is, accordingly, reversed.

Henry C. Platt, (*Assistant District Attorney*), for the plaintiff in error.

Henry E. Tremain and *A. P. Ketchum*, for the defendants in error.

HIRAM B. EVEREST

vs.

THE BUFFALO LUBRICATING OIL COMPANY, LIMITED. IN
EQUITY.

The decisions in this case, in 20 *Fed. Rep.*, 848, and 22 *Blatchf. C. C. R.*, 524, confirmed.

A plaintiff in a suit in equity is entitled to only nominal damages for the infringement of a patent, unless he shows what profit the defendant has derived from the invention.

In such a case, where the master's report awards only nominal damages, and the plaintiff excepts to it, and the exceptions are overruled, the plaintiff will be charged with the costs of the reference, including the master's fees and the costs of the exceptions and of the hearing thereon.

(Before COXE, J., Northern District of New York, July 1st, 1887.)

COXE, J. This cause was argued at the June Circuit, 1884, and resulted in a decision for the complainant. (20

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Fed. Rep., 848.) In November, 1884, the defendant presented a petition for a rehearing, which, after argument and due consideration, was denied. (22 *Blatchf. C. C. R.*, 524.) On the 30th of March, 1887, the master submitted his report, in which he finds the complainant entitled to nominal damages only. The complainant filed exceptions to this report. The cause is now before the Court upon these exceptions, and also upon a motion by the defendant to dismiss the bill on the ground that the patent is void for want of patentable novelty. The theory upon which the latter motion is based is that, since the interlocutory decree was entered, the Supreme Court, in a number of causes, has taken advanced ground upon the subject of patentable novelty, which disposes of the patent in question.

The motion to dismiss the complaint is, in reality, but a second motion for a rehearing. Upon this subject but little need be said. The law and the facts are in precisely the same condition that they were at the argument and when the first petition for a rehearing was presented. The views of the Court appear sufficiently in the decisions then rendered, and it is not necessary to reiterate them.

The causes relied upon by the defendant had been decided at Circuit adversely to the respective patents before the argument of this cause. These decisions were all published and were accessible to the defendant, had it desired to make use of them. The Supreme Court, in each instance, affirmed the decree of the lower Court. No new doctrine has been advanced, no new test of invention formulated. The law remains unchanged. Each case must be determined upon its own facts, and the Courts, as heretofore, must ascertain as best they may where to draw the line through the shadowy borderland which separates invention and mechanical skill.

Of the recent decisions of the Supreme Court the one which, upon the facts, approximates most nearly to the case at bar is, unquestionably, *New Process Fermentation Company v. Maus*, (122 *U. S.*, 413.) The Court reverses the decree dismissing the bill, and sustains the third claim of the

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patent in controversy, which covers a process, irrespective of the apparatus for carrying it out, applied to beer while in one stage of manufacture. It is not easy, on principle, to distinguish this case from the case at bar. Instead, therefore, of convincing the Court that the bill should be dismissed, the decisions referred to have confirmed and strengthened the opinion that the complainant's patent is a valid one.

The master has found only nominal damages, and has accompanied his report with an opinion, in which the reasons for his action are clearly stated and abundantly sustained by authority. I concur in the views expressed by him, and fail to see how he could have reached a different conclusion.

It was conceded, on the argument, that the complainant, as he did not grant licenses or operate personally under the patent, was not entitled to damages. He certainly could not recover the defendant's profits without some evidence showing what profit was attributable to the invention. There is nothing to show that the defendant made more or lost less by the use of the fire test. The record is wholly silent upon this subject. Not only does the complainant fail to show what profit the defendant derived from the invention, but he fails to show that it derived any profit at all. For aught that appears the defendant's use of the fire test may have been wholly without pecuniary advantage. The mere fact, if it be a fact, that fire tested oil made by the Vacuum Company, with which the complainant is connected, sold for one and one-half cents more per gallon than oil manufactured by other companies, is entirely insufficient unless accompanied by proof that the enhanced value, or some portion thereof, was due to the use of the fire test. There is no such proof. It is manifest, that, in such circumstances, there is no foundation for more than a nominal recovery. (*Garretson v. Clark*, 111 U. S., 120; *at Circuit*, 15 *Blatchf. C. C. R.*, 70; *Fay v. Allen*, *ante*, p. 275; *Dobson v. Dornan*, 118 U. S., 10; *Dobson v. Hartford Carpet Company*, 114 U. S., 439; *Dean v. Mason*, 20 *How.*, 198, 203; *Black v. Thorne*, 111 U. S., 122.)

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The motion to dismiss the bill is denied. The exceptions are overruled and the master's report is confirmed.

Following the precedent of *Garretson v. Clark*, (*supra*), the costs of the reference, including the master's fees and the costs of the exceptions and of the hearing thereon, should be taxed against the complainant.

George B. Selden and *T. G. Outerbridge*, for the plaintiff.

James A. Allen, for the defendant.

THE UNITED STATES, PLAINTIFFS IN ERROR

vs.

DEMAS BARNES, DEFENDANT IN ERROR.

An assignee in bankruptcy is liable personally to the United States, for money which he distributed among creditors of the bankrupt instead of retaining it or applying it to pay a preferred claim of the United States against the bankrupt, where he had notice of such claim before he made such distribution, although the United States did not prove their claim in the bankruptcy proceeding before he made such distribution.

(Before WALLACE, J., Southern District of New York, July 7th, 1887.)

WALLACE, J. This is a writ of error brought by the plaintiffs to review a judgment of the United States District Court in favor of the defendant. The suit was brought to recover \$32,000, with interest from September 12th, 1871, moneys paid out by the defendant on that date, as assignee in bankruptcy of Theodore H. Vetterlein and Bernhard T. Vetterlein, as a dividend to creditors, which moneys, upon the theory of the plaintiffs, the defendant should have re-

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tained and applied to pay the United States, as a creditor of the bankrupts having priority over all other creditors. The cause of action arises under sections 3,466 and 3,467 of the United States Revised Statutes. Section 3,466 provides, that, whenever any person indebted to the United States is insolvent, the debts due to the United States shall be first satisfied, and that the priority thereby established shall extend as well to cases in which a debtor, not having sufficient property to pay all his debts, makes a voluntary assignment thereof, as to cases in which an act of bankruptcy is committed. Section 3,467 provides, that every assignee, or other person, who pays any debt due by the person or estate from whom or for which he acts, before he satisfies and pays the debts due to the United States from such person or estate, shall become answerable in his own person and estate for the debts so due to the United States, or for so much thereof as may remain due and unpaid. The complaint avers, that the Vetterleins were adjudicated bankrupts on the 7th day of February, 1871, in the District Court of the United States for the Southern District of New York; that the defendant was, on the 1st day of March, 1871, and ever since has been, the assignee in bankruptcy of the Vetterleins; that, at the time the Vetterleins were adjudicated bankrupts, they were jointly and severally indebted to the United States in the sum of \$99,951, and their estate was insufficient to pay their debts; that, at and prior to the 12th day of September, 1871, the defendant had notice of the indebtedness of said bankrupts to the United States; that on that day, having in his hands, as such assignee, assets to the sum of \$32,000 and upwards, the defendant distributed and paid the same to creditors of the bankrupts other than the United States, before he had satisfied or paid the debt due to the United States; and that the entire assets of the bankrupts remaining after said dividend was paid were insufficient to pay the debt due to the United States by more than the sum of \$32,000.

The evidence upon the trial sustained the averments of the complaint, except that it did not show that the defendant

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was aware, at the time of paying out the \$32,000, of the precise nature or extent of the demand existing against the bankrupts in favor of the United States. It appeared, however, that, in July, 1869, the United States had brought a suit in the United States District Court for the Southern District of New York, against the Vetterleins, to recover an alleged indebtedness of \$540,000, for the violation of the customs revenue laws, and that the defendant acquired notice of the pendency of this action after he was appointed assignee and prior to the distribution of the \$32,000. It further appeared, by the evidence upon the trial, that the United States did not intervene in the bankruptcy proceedings, or take any steps to establish their claim, until a time subsequent to the distribution of the \$32,000; that, on April 19th, 1872, a judgment was entered in the pending suit, in favor of the United States, against the Vetterleins, upon a cognovit, for \$99,951; and that, on or about April 2d, 1878, the claim and proof of debt of the United States, as a creditor of the bankrupts, was allowed and established, upon the application of the attorney for the United States, in the bankruptcy proceeding, as a debt against the estate of the bankrupts jointly, for \$99,951, with priority of payment next after the fees, costs and expenses of the proceedings in bankruptcy. The defendant put in evidence the order of the Court in the bankruptcy proceeding, passing the final account of the assignee. The proceedings upon which this order was founded showed that, in April, 1883, the Government appeared, by the United States attorney, and filed objections to the account, and, after proofs, the Court found a balance of cash in the hands of the assignee, after deducting from the moneys received by him all charges, claims and allowances, as the net cash surplus of the joint assets of the bankrupts, the sum of \$27,283. This sum the Court ordered to be paid to the United States. At the close of the evidence, it was agreed by counsel for the respective parties, that there was no question of fact to be submitted to the jury; and the counsel for the plaintiffs asked the Court for a peremptory instruction

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to the jury to render a verdict for the plaintiffs, and the counsel for the defendant asked a like instruction that they render a verdict for the defendant. The Court instructed the jury to render a verdict for the defendant, and the plaintiffs excepted. The plaintiffs in error now rely upon this exception as the ground for a reversal of the judgment.

The provisions of law giving priority to the United States in cases of insolvency, now embodied in sections 3,466 and 3,467 of the Revised Statutes, originated in the Act of Congress of March 3d, 1797, (1 *U. S. Stat. at Large*, 515,) as supplemented by the Act of March 2d, 1799, (*Id.*, 676,) and have frequently been considered by the Courts. It is established by many adjudications in which the meaning and effect of these provisions have been discussed, that such priority extends to all classes of debts, whether liquidated or unliquidated, joint or several, legal or equitable; and, when the insolvent debtor has made a voluntary general assignment or committed an act of bankruptcy, that such priority extends to all his estate which comes to the hands of his assignee. The assignee becomes a trustee for the United States, and is bound to pay their debt first out of the proceeds of the debtor's property. When he has notice of the existence of the debt of the United States, he cannot escape personal liability for its amount, to the extent of the value of the assets that come to his hands, if he fails to provide for it before making distribution to other creditors. Such is the rigor of the statute that he cannot invoke the judgment of a Court of competent jurisdiction, directing him to distribute the assets to specified creditors, as a justification, when it does not appear that the United States were a party to the proceeding, or that he took proper measures to secure the priority of the United States in the distribution. (*Field v. United States*, 9 *Pet.*, 182.)

The evidence for the plaintiffs upon the trial made a case for a recovery against the defendant, directly within the letter of the statute. The debt of the United States against the Vetterleins was shown to have been established, and its pri-

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ority over the claims of all other creditors adjudicated, in the bankruptcy proceedings; an adjudication which was conclusive against the defendant, who was a party to it, as the assignee of the bankrupt's estate. Notice to the defendant of the existence of the debt of the United States prior to making distribution of the \$32,000 was brought home to him by evidence showing that he knew of the existence of the suit which was then pending, to recover of the Vetterleins, brought by the United States. Information which puts a party upon inquiry and shows where the inquiry may be effectually made, is notice of all facts to which such inquiry might have led. The payment of the \$32,000 to other creditors, and the fact that the remainder of the estate which came to his hands was insufficient, by more than the sum of \$32,000, to satisfy the debt of the United States, was also proved. Thus, every element of a case within the sections referred to was made out. The order of the Court made upon the passing of the assignee's final account was not an adjudication in favor of the defendant that the \$32,000 paid out by him before the Government proved its claim in bankruptcy was a valid payment as against the Government. No such question as this was raised or litigated, under the objections filed by the Government to the assignee's account. The subject-matter of that proceeding was the distribution of the fund then in the possession and control of the assignee; and all that the Court undertook to determine was whether the assignee was entitled to certain allowances out of that fund for moneys disbursed, and for his own compensation, and what disposition should be made of the residue.

The ruling of the Court that the plaintiffs were not entitled to recover, went upon the ground that the Government, by omitting to prove the claim of the United States in the bankruptcy proceedings until after the distribution of the \$32,000, lost its right to proceed against the defendant. This was the only ground upon which the decision was put; and it is the only ground upon which the correctness of the ruling can be vindicated. The learned District Judge was of the

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opinion that claims of the United States against the estate of a bankrupt, or against the assignee in bankruptcy, must be worked out in the bankruptcy proceeding. He was also of the opinion that the Government, by its non-action in asserting its claim until after the distribution had been made, waived its right to proceed against the assignee personally. The decisions of the Supreme Court in the cases of *United States v. Herron*, (20 Wall., 251,) and *Lewis v. United States*, (92 U. S., 618,) dispose of the suggestion that the United States must pursue their remedy in the bankruptcy proceedings, and refute the proposition that the rights of the United States are in any way affected by a proceeding in bankruptcy against their debtor. The result of these decisions is, that, although, under the bankrupt Act of 1867, the United States may prove their debt and assert their priority in the proceeding in the bankrupt Court, they are under no obligation to do so, but stand in the category of creditors who are not affected by the proceeding. The principle of the decision in the case of *United States v. Herron* is, that the term "creditor or creditors," as used in the bankrupt Act, does not include the United States, because, as the King is not bound by an Act of Parliament, so the Government of the United States is not bound by an Act of Congress which may tend to restrain or diminish any of their prerogative rights or interests, unless the statute is made, by express and particular words, to apply to the sovereign power. In the case of *Lewis v. United States*, the Court considered the effect of the clause in the bankrupt Act providing for priority of payment to the United States and said: "The United States are in no wise bound by the bankrupt Act. The clause above quoted is *in pari materia* with the several Acts giving priority of payment to the United States, and was doubtless put in to recognize and reaffirm the rights which those statutes give, and to exclude the possibility of a different conclusion."

If the United States are under no obligation to assert their right of priority against the bankrupt's estate in the bankruptcy proceeding—a question no longer open, according

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to the decisions referred to—it is difficult to see upon what principle their omission to do so can be deemed the foundation of a waiver or estoppel. It may seem unjust that the Government should stand by while the estate of its insolvent debtor is being distributed by an assignee pursuant to the directions of a Court of bankruptcy, without asserting its right of priority, and, when the assignee has made final distribution, pursue him and compel him to make good out of his own pocket what it might have realized from the estate if it had proved its claim in season. It is not in the power of the assignee to set the Government in motion, because the bankrupt law does not provide any machinery by which he can do so; and, unless the Government elects to assert its claim in the bankruptcy proceeding, the distribution of the estate may be protracted and those who are entitled to share in the assets be delayed. But, however real may be the hardship, the remedy is with the legislative authority and not with the Courts. Congress has seen fit not to require the Government to make itself a party to a bankruptcy proceeding against its debtor, and assignees and creditors must abide the consequences. But the hardship is theoretical rather than real. The assignee can ascertain, if he uses reasonable diligence, what part of the estate should be reserved to meet the claim of the Government, and the rest of the estate can be distributed to the other creditors; and it is only when the assignee has notice of the claim of the Government that he incurs personal liability for making distribution of the estate without providing for the claim.

The doctrine of laches or equitable estoppel cannot be invoked for the protection of the defendant. Laches, however gross, cannot be imputed to the Government. The maxim is founded not in the notion of extraordinary prerogative, but upon great public policy. (*United States v. Kirkpatrick*, 9 *Wheat.*, 720, 735; *Dow v. Postmaster-General*, 1 *Pet.*, 318; *Jones v. United States*, 18 *Wall.*, 662; *Cooke v. United States*, 91 *U. S.*, 389; *Hart v. United States*, 95 *U. S.*, 316.) The defendant knew, or was bound to know, that

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he could not safely distribute any part of the estate of the bankrupts which came into his hands until the claim of the Government should be satisfied. If he acted in ignorance of the law, or was badly advised by counsel, this is not a defence to the action which the statute gives. If there are any circumstances of peculiar hardship growing out of the conduct of any of the officers of the Government in reference to the prosecution of the claim, or arising from the nature of the original claim against the Vetterleins, or in consequence of the conduct of the Vetterleins in assisting the Government to establish a doubtful claim against them so that their general creditors or the assignee should suffer loss, the defendant must appeal to the legislative or administrative authorities for relief.

The judgment of the District Court is reversed.

Stephen A. Walker, (District Attorney,) for the plaintiffs in error.

James K. Hill, Wing & Shoudy, for the defendant in error.

PATRICK O'ROURKE vs. JOSHUA S. PECK AND OTHERS.

The occupant of a wharf, who has the general possession and control of it, is under an obligation to keep the approach to it, under the water, in a reasonably safe condition for use by those who lawfully resort to it, and is liable in damages for a breach of such obligation.

(Before WALLACE, J., Southern District of New York, July 7th, 1887.)

THIS was a libel *in personam*, filed in the District Court, in Admiralty, to recover for damages caused by the sinking of a canal boat belonging to the libellant, caused by the un-

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even condition of the bottom at a bulkhead. The District Court decreed for the libellant, (29 *Fed. Rep.*, 223,) and the respondents appealed to this Court.

Edward D. McCarthy, for the libellant.

Flanagan & Hamlin, for the respondents.

WALLACE, J. The defendants were in possession, as lessees and occupants, of the wharf at which the libellant's boat capsized, and it is conceded that the accident resulted from the unsafe and dangerous condition of the bottom of the river alongside the wharf, and without negligence on the part of the libellant. The general proposition is not disputed, that the owner or person having the possession and control of such a structure is liable in damages to those coming to it, using due care, at his invitation or inducement, express or implied, on any business to be transacted with or permitted by him, for an injury occasioned by the unsafe condition of the structure or of the access to it, which is known to him and not to them, and which he has negligently suffered to exist. But it is insisted for the defendants that they are not liable to the libellant, because he was not at their wharf with his boat upon their invitation, but was there, at most, by a permission which was no more than a bare acquiescence upon their part, and, therefore, they did not owe him any duty in reference to the condition of the premises.

The defendants' lease excepted and reserved from the premises demised the use of the premises for the purpose of loading or unloading coal, and the right to use the premises for the loading and unloading of coal was in the Consumers' Coal Company, at the time of the accident to the libellant's boat, and had been for some time previously. At the time of the accident the wharf was used by the defendants for loading and unloading building materials, and by the Consumers' Coal Company for loading and unloading coal. The

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libellant came there with his boat to unload coal for the Consumers' Coal Company.

As the libellant came to the wharf upon the express invitation of the Consumers' Coal Company, the case, upon the facts proved, would be clear against that company, if it, instead of the present defendants, had been sued. But it seems equally clear, that the defendants, as occupants of the wharf, having the general possession and control, were under an obligation to keep the premises in a reasonably safe condition for the use of all persons who might lawfully resort there; and any person lawfully going there for the transaction of business to which the premises were appropriated had a right to assume, as against the defendants and all other persons in occupancy and control, that the structure itself and the access to it were in a reasonably safe condition.

Upon this ground, and not because of the covenant in the defendants' lease to keep the premises in repair, the decree of the District Court is affirmed.

THE MARY K. CAMPBELL.

Where a sheriff levies on a vessel, under an attachment against one of her joint owners, and takes her to and keeps her at a wharf, the wharfinger acquires no lien on her superior to that of a prior mortgage on her.

(Before WALLACE, J., Southern District of New York, July 8th, 1887.)

WALLACE, J. The result of the decree of the District Court is to subordinate the lien of the mortgage of a vessel upon the proceeds in the registry of the Court to the subsequent lien of a creditor who brought suit in a State Court against one of the joint owners of the vessel, and in that suit caused an attachment to be levied upon the vessel by the sheriff of the city and county of New York. This singular

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and anomalous result has been worked out through a supposed lien upon the vessel acquired by a wharfinger to whose wharf the vessel was taken by the sheriff under the attachment. The wharfinger knew that the vessel was in charge of the sheriff when she was brought to and while she remained at the wharf.

Although wharfage is a maritime contract, which creates a maritime lien in favor of the wharfinger against the vessel, it is essential to a hypothecation that the contract be made by some person who has authority to pledge the vessel to the performance of the contract. Very clearly a sheriff who has seized the vessel upon legal process, and resorts to a wharf in order to tie her up and prevent her from completing her voyage, has no such authority.

There is nothing in the State statute (*Consolidation Act, Laws of 1882, chap. 410, sec. 798*) which, in terms or by implication, makes the vessel liable when she is brought to the wharf on legal process, and is while there in the custody of the law.

The wharfinger could not acquire any lien upon the vessel, and consequently could not upon the proceeds in the registry, unless he did so by the act of the sheriff who brought the vessel to the wharf and kept her there. In this behalf the sheriff was merely the agent of the attaching creditor. Consequently, if it be assumed that the wharfinger could acquire any interest in the proceeds in the nature of an equitable lien, it could not rank above the lien of the attaching creditor, but should rank as one derived under the attachment. It represents nothing more than the right of the attaching creditor to include in his recovery against the joint owner whose interest was attached the expenses of the wharfage, as part of the costs or taxable expenses of the suit.

If the vessel had been sold on final process in the suit in which the attachment issued, the right of the mortgagee to take possession and exercise his power of sale under the mortgage would not have been impaired. The purchaser on the execution sale would have acquired an interest which

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would have permitted him to redeem upon tendering the mortgage debt, but the sale could not have prejudiced the mortgagee or deprived him of the security of the vessel to the full extent of the mortgage debt. Certainly, the mortgagee is in no worse plight, under the stipulation by which the vessel was sold and her proceeds brought into the District Court, than he would have been if she had been sold upon an execution in the suit of the attaching creditor.

The wharfinger must look to the sheriff personally for the wharfage, and the sheriff must look to the attaching creditor. There is no hardship in requiring the wharfinger to look for his wharfage to the person who brought the vessel to his wharf. Although there is an implied license to vessels upon navigable waters to use such structures in the manner and for the purposes contemplated by their erection, the wharfinger may terminate this general license, or may withhold permission to a particular person. (*Heaney v. Heeney*, 2 Denio, 625; *Swords v. Edgar*, 59 N. Y., 28.)

Inasmuch as the proceeds of the sale in the registry were not sufficient to satisfy the lien of the mortgage, the decree of the District Court in effect compelled the mortgagee to pay the claim of the attaching creditor against one of the joint owners of the vessel, to the extent of his expenses for wharfage.

The decree of the District Court is reversed, with costs of the District Court and of this Court, to be paid by the appellee.

George B. Adams, for the appellant.

Samuel B. Clarke, for the appellee.

Coates v. The Merrick Thread Company.

SIR PETER COATES AND OTHERS

vs.

THE MERRICK THREAD COMPANY AND OTHERS. IN EQUITY.

If it is within the discretion of the Court, in a suit in equity, to permit the defendant to attend by counsel and cross-examine a witness orally, on the execution of a commission issued on the part of the plaintiff to examine the witness on written interrogatories, such discretion should be exercised only when a clear case of necessity is made out.

(Before LACOMBE, J., Southern District of New York, July 14th, 1887.)

LACOMBE, J. This is a motion for a commission to take the testimony of Frederick Smith, of Burlington, Kansas, as a witness on the part of complainants, upon interrogatories in the usual form. The granting of the motion is practically unopposed, but defendants insist that they should be allowed to attend by counsel before the Commissioner, and to cross-examine the witness orally, if they so desire. In effect this would turn the proceeding into a *viva voce* examination, because it can hardly be supposed that the complainants will run the risk of waiving all re-direct examination, as they must necessarily do, if they are not advised in advance what cross-interrogatories will be put.

Without passing upon the two points raised by the complainants, viz.: that such a composite commission as is proposed is not known to equity practice, and that no oral examination, whether direct or cross, can be had without the notice required by Equity Rule 67, I am of the opinion that the modification asked for by the defendants should not be allowed. Concededly, such a mode of taking proof, namely, by interrogatories in chief settled in advance, and by cross-interrogatories not disclosed in advance, but suggested upon the examination, is unusual and extraordinary. If its allowance is within the discretion of the Court, such discretion

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should only be exercised when a clear case of necessity is made out. There is nothing in the papers submitted to indicate the existence of such necessity. The name, residence, or personal appearance of the supposed agent, the circumstances attending his visit, and his statements as to himself and his business, so far as all these are within the knowledge of the witness, can surely be elicited from the latter by cross-interrogatories prepared in the usual way.

Frederic H. Betts, for the plaintiffs.

William C. Witter, for the defendants.

THE YOUNG AMERICA.

In a suit in Admiralty, by the owner of a canal boat against the tug towing her, to recover damages for injuries to the tow by striking a rock on shore, the libel alleged, as negligence in the tug, only that she did not keep the tow farther from the shore, that she did not keep a proper lookout, and that she did not have a competent pilot. The answer alleged that the tide and ice caused the accident, and that the tug and her helper did every thing possible to avoid it : *Held*,

- (1.) The allegations of the libel were not made out and those of the answer were established;
- (2.) The tug could not be made liable upon a theory not alleged in the libel, that she was negligent in leaving the tow without a guard, after the accident, so that she was taken possession of by persons who refused to afterwards give her up to the libellant, especially as the libellant acquiesced in leaving her without a guard.

(Before WALLACE, J., Southern District of New York, July 15th, 1887.)

WALLACE, J. The libellant was owner of the canal boat Beekley, which, while in a flotilla of twenty-four canal boats, in tow of the tug Young America, struck upon the rocks on the Staten Island shore, in the Narrows, near Fort Wads-

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worth, and subsequently became nearly a total loss. The libel, filed against the tug to recover damages for the loss, alleges negligence on the part of the tug, by reason of not keeping the tow further out in the channel and away from the Staten Island shore, and by reason of not keeping a proper lookout, and not having on board the tug a competent and skilful pilot. No other acts of negligence on the part of those in charge of the tug are alleged. The answer of the tug alleges, that, on reaching the Narrows, she encountered an ice field, which came floating on the flood tide from the lower bay, and caught the tug and tow on the starboard side, and swept them towards the Staten Island shore; that the tug Winnie, which was assisting the tug Young America, as a helper, attempted to break the ice field, and every effort was made to prevent the setting of the tug and tow towards the shore, but without avail, and the result was that the libellant's boat touched the shore, and the tug Winnie took her out of the tow and towed her to the beach at Vanderbilt's Landing.

By the decree of the District Court, (26 *Fed. Rep.*, 174,) the damages for the loss of the Beekley were divided between the libellant and the tug. The District Judge was of the opinion that the tug was free from negligence as to the acts alleged in the libel, and that without her fault the tow was crowded towards the shore by the ice, substantially as stated in the answer, but he was also of the opinion that the tug was in fault because of subsequent acts of negligence. The owners of the tug have appealed from this decree, and by stipulation it has been agreed that the cause may be considered now as though the libellant had also appealed.

The acts of negligence on the part of the tug, charged in the libel, are not established by the proof by a preponderance of evidence, but on the contrary the proofs substantiate the averments of the answer and show quite satisfactorily that the flotilla was crowded by the ice driven against it by the flood tide, so that the boats on the port side were brought into too close proximity with the Staten Island shore, not-

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withstanding the exercise of all seasonable and proper efforts on the part of the tug to discharge her duty. The case, upon this issue, turns almost wholly upon the credibility of the witnesses for the respective parties. The witnesses for the tug are more in number than those for the libellant, and most of them had better opportunities for observing the situation, and a greater interest in doing so, than did the witnesses produced by the libellant. Although some of the witnesses may be mistaken, and may testify erroneously to what they believe to be true, many and a greater number testify so explicitly about facts with regard to which they cannot be mistaken, that what they state is either true or is designedly false and fabricated. Among the latter are those who were in charge of the tug Winnie, and who testify that that tug went around the flotilla two or three times, trying to break up the ice, but that it closed up as fast as it was broken and could not be resisted by the best efforts of the Young America and of the Winnie. The case as to this issue may be properly left upon the considerations stated in the opinion of the District Judge. Even were the case much stronger for the libellant, as the witnesses were examined in the presence of the District Judge, his judgment of their intelligence and honesty should not be disturbed. The argument for the libellant respecting the condition of the tide, based upon calculations from the Nautical Almanac, has not been overlooked, nor the fact, upon which the libellant also relies, that the boats on the starboard side of the flotilla were not apparently injured by contact with the ice. The argument as to the state of the tide is not sustained by the reference to the Nautical Almanac, because it would seem, from the calculations, that it should have been high water at the place of the accident about the time when the accident occurred; and, as was remarked in the opinion of the District Judge, the evidence as to the precise time of the accident is not so certain as to admit of reliance upon the arguments with respect to a change of the tide. The fact that the starboard boats of the tow did not exhibit any marked indications of injury

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from ice is not necessarily inconsistent with the theory of the answer. The ice was not driven with violence against the boats, but was carried gradually against them, and the flotilla was in very slow motion. It was broken up also by the Winnie. What effect it would have upon the boats, and what indications they would present of its contact, are wholly matters of conjecture. The issue is one which must be resolved wholly upon the credibility of the witnesses.

The proofs show, that, after the libellant's boat struck upon the rocks, the tug Winnie detached her from the flotilla and beached her at a safe and proper place. The libellant himself left his boat and came aboard the Winnie. After the canal boat was beached the Winnie remained by her all night. The master and crew of the Winnie used all reasonable efforts to raise the canal boat, but their pumps froze. Before they could resume pumping the tide rose, and they then concluded to go to New York city and obtain help. This was in the morning after the accident. The libellant went with them and acquiesced in what was proposed or did not dissent. The tug Raritan was procured and about noon of that day proceeded to Vanderbilt's Landing, the libellant with her, accompanied by the wrecking scow Dunderberg, to pump out the libellant's boat. When they reached Vanderbilt's Landing they found the canal boat in possession of several men who claimed to be acting under the authority of the wreckmaster of Richmond county. Soon after the wreckmaster himself appeared. These persons would not permit those in charge of the Raritan or the Dunderberg to go on board the canal boat, or interfere in any way with their possession and control, and by threats of violence drove them away. At this time the captain of the Raritan asked the libellant to make known the facts, and that he was the owner of the canal boat, to the wreckmaster, but the libellant refused to do so. According to the testimony of the libellant, the wreckmaster, or those under him, took the coal out of the canal boat, cut her to pieces, and sold her for old wood, after

letting her lie so long in the water that she was badly knocked to pieces.

The statutes of this State, (*Revised Statutes, part 1, chap. 20, title 12, §§ 2, 5,*) authorize the wreckmaster of any county in which any wrecked property shall be found, when no owner or other person entitled to the possession of such property shall appear, to pursue all necessary measures for saving and securing such property, to take possession thereof, and to keep the same in some safe place, to answer the claims of such persons as may thereafter appear entitled thereto, upon the payment of a reasonable salvage and necessary expenses. It is unnecessary to say that such ruffianly conduct as, according to the proofs, characterized the detention of the libellant's boat rendered the wreckmaster and his rabble trespassers *ab initio*. They were undoubtedly aware that the Raritan and Dunderberg had come upon a legitimate errand and represented the owner of the canal boat, otherwise they would not have resorted to the brandishing of revolvers and threats of violence before permitting any explanation or attempting to ascertain why the vessels had come.

The learned District Judge was of the opinion that it was the duty of the tug, before leaving the libellant's boat, to have made all necessary arrangements to prevent her from falling into the hands of third persons under color of authority; and because this was not done, and because the libellant's loss was greatly increased by the act of the wreckmaster and his subordinates, and because the amount of the loss by reason of the original injury, and that which accrued in consequence of the acts of the wreckmaster, could not be ascertained, he held that the damages should be divided.

The general proposition, that a tug whose tow is injured or disabled during the towage service, although without fault on the part of the tug, must use reasonable diligence to assist her tow and shield her from additional injury, may be assumed as correct law, without discussion. Nor need it be now questioned that the tug, when her tow becomes disabled, is under obligation to do all that is reasonably within her

power, according to the particular circumstances of the occasion and situation, to complete the towage service, or, if this is impracticable, to carry her tow to a place of safety, when this can be done. All this was done in the present case, but the tug was condemned to bear half of the libellant's loss, because, after her consort, the Winnie, had brought the tow to the safest practicable place, and had used her best efforts to raise the tow and provide for her ultimate safety, the Winnie temporarily left her, to obtain more efficient assistance, and did not leave some person on board or at hand to protect her. So far as appears, there was nothing in the situation of the libellant's boat, with regard to exposure to the elements, at the time she was left by the Winnie, which rendered it necessary that any person should remain with her; nor do the proofs show that there was any unreasonable delay on the part of the Winnie in procuring assistance and sending the Raritan and Dunderberg to the relief of the canal boat.

If the tug is to be held at all, it is because she failed to anticipate that the libellant's boat would be seized as a wreck and to take necessary precautions to avert such a contingency. There are several difficulties in the way of the libellant's recovery against the tug upon such a theory. It is to be observed, that no fault or breach of duty, in this respect, on the part of the tug, is charged in the libel, and the proofs were not addressed by either party to the issue whether the tug was negligent in leaving the canal boat without a guard, under the circumstances. Consequently, and as might be expected, the proofs are not full, but on the contrary are exceedingly meagre, with respect to the situation and circumstances of the canal boat at the time the Winnie left her to obtain further assistance. The proofs do not disclose satisfactorily whether the circumstances were not, of themselves, adequate notice that the libellant's boat was not an abandoned wreck. It would seem that she had been brought to a safe place, where she was not in immediate danger from the elements, and, for aught that appears, she was left in a

situation which would sufficiently indicate to all who saw her that she had been towed there as a place of temporary safety, until necessary assistance to raise her could be obtained. If, in the absence of any allegations in the libel charging the tug with negligence in leaving the canal boat after she had been beached, it is not the duty of the Court to refuse to consider whether there can be any recovery upon this ground, (*McKinlay v. Morrish*, 21 *How.*, 343,) the omission is certainly cogent to negative the inference that the libellant himself considered the tug negligent in this behalf. (*The Clement*, 2 *Curt.*, 363.) But the case in this respect does not rest upon inference merely, because the libellant himself was consulted by the captain of the Winnie about leaving the tow and going to New York for assistance, and acquiesced in what was proposed, without making a suggestion that any person should be left in charge of her during the interval.

If it should be assumed that some person should have been left in charge of the libellant's boat, and that it was the duty of the Winnie to see that this was done, and that the libellant is entitled to recover damages because it was not done, nevertheless the proofs do not authorize a recovery. The proofs do not show that the libellant sustained loss for which he should receive compensation, by reason of the act of the Winnie in leaving the tow without a guard. The libellant is not entitled to recover of the tug such loss as he may have sustained in consequence of the tortious proceedings of the wreckmaster and his assistants. Compensation is recoverable for such damages only as are a sequence fairly to be anticipated from the act complained of. The liability for a negligent act, not amounting to a wanton wrong, extends only to compensating the party injured for such loss or injury as is shown to have been the natural and probable consequence of the negligent act—such as ought to have been foreseen, in the light of the attending circumstances. (*Glover v. L. & S. W. R. Co.*, *L. R.*, 3 *Q. B.*, 25; *Milwaukee R. Co. v. Kellogg*, 94 *U. S.*, 469.) Applying this rule, the libel-

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lant would not be entitled, upon any view of the facts, to compensation in excess of the sum which the wreckmaster could have lawfully demanded for salvage. If that functionary had acted in good faith, he would have been entitled to nothing more than fair compensation for a salvage service, under the statute; and, upon the tender of a sufficient sum by the libellant to cover this compensation, it would have been his duty to surrender possession of the libellant's boat. Although, when the wreckmaster found the libellant's boat, there was no one on board or in charge, if he found her under circumstances that denoted, or ought to have denoted, that his services were not desired, and took possession of her with intent to supplant those interested in giving her relief, he had no claim for compensation. (*The Upnor*, 2 Hag., 3; *The Barefoot*, 1 Eng. L. & Eq., 661; *The India*, 1 W. Rob., 406.) Unless a vessel has been utterly abandoned, and is in contemplation of law a derelict, even *bona fide* salvors have no right to the exclusive possession, and are bound to give up charge to the master, on his appearing and claiming charge. (*The Champion*, Br. & Lush., 69.) If the wreckmaster had acted in good faith and was entitled to salvage, the amount to which he would have been entitled, under the circumstances of the case, would have been inconsiderable. It was incumbent upon the libellant to give proof to show what would have been reasonable compensation to the wreckmaster, if he expected to recover upon this theory of the case. But, so far as may be gathered from the proofs, the wreckmaster was entitled to no compensation for salvage services. On the contrary, if the proofs truly disclose the facts, he and his assistants, by their abuse of their powers, became trespassers *ab initio* and lost all claims for salvage. (*The Six Carpenters' Case*, 8 Rep., 146a; *Oxley v. Watts*, 1 Term R., 12; *Aitkenhead v. Blades*, 5 Taunton, 198; *Van Brunt v. Schenck*, 13 Johns., 414; *Allen v. Crofoot*, 5 Wend., 506.)

Thus far the case has been considered as though fault were attributable to the tug because the Winnie left the tow with-

out any person in charge. As has been suggested, the circumstance that this was not alleged as a fault in the libel is significant to indicate that the libellant himself did not regard it as such. But the proofs show that the libellant acquiesced in and assented to all that was done in this behalf. If any person was to be left in charge of the canal boat, emphatically, the proper person was the libellant himself. How can he now be heard to complain that he suffered loss by an act in which he voluntarily participated, or because that was not done which he could have done himself and should have done? No rule is better settled than that, when a party who is entitled to the benefit of an obligation can save himself from a serious loss arising from a breach of it, by reasonable exertion, he will not be permitted to charge the delinquent with damages which arise in consequence of his own inactivity. (*Warren v. Stoddart*, 105 U. S., 224, 229.) The libellant, equally with those who represented the tug, is chargeable with notice of all the consequences, in fact and in law, which were likely to proceed from the act of leaving his boat with no one in charge of her.

Upon the whole case, the conclusion is reached, that the original injury to the libellant's boat was not caused by the negligence of the tug; that, after the accident, the tug did all that was within her power, and all that was reasonable and proper, to protect her tow from the consequences of the accident; that the proofs do not justify the inference that it was a negligent act to leave the tow, in the circumstances of her situation, to procure further assistance, or to do this without leaving any person in charge of her during the interval that was expected to elapse while assistance was being procured; but that, if some person should have been left in charge of the boat when the Winnie went to New York, the libellant should have known it, and should have remained himself. No theory of the facts justifies a decree for the libellant.

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The decree of the District Court is reversed, and a decree ordered dismissing the libel, with costs of the District Court and of this Court.

Josiah A. Hyland, for the libellant.

Henry G. Ward, for the claimant.

BENJAMIN KNOWER

vs.

**RICHARD R. HAINES, AND JOHN V. CARNEY, ASSIGNEE OF
RICHARD R. HAINES. IN EQUITY.**

A mortgage by a person of substantially all his property to secure a debt due by another and not by himself, is, in Vermont, void as to his creditors. It is also void under sec. 1,860 of the Revised Laws of Vermont, if made by him when insolvent, or in contemplation of insolvency, within four months of insolvency.

The holder of the mortgage was, in this case, held chargeable with knowledge of the facts and of the law of Vermont.

The statute of Vermont does not impair the obligation of a contract.

(Before WHEELER, J., Vermont, July 15th, 1887.)

WHEELER, J. This suit is brought to foreclose a mortgage of \$50,000 on real estate, mill and machinery situated in Bennington, dated February 1st, 1886. The defence is made by the assignee in insolvency proceedings had under the laws of the State within four months after, upon the ground that the mortgage is void as against the assignee under those laws.

The Huguenot Woolen Company, a corporation organized in January, 1884, under the laws of Massachusetts, of which Haines was president, and of the stock of which he owned sixty-five *per cent.*, appears to have owed the firm of Knower,

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Haines & Cooley, whose assets belonged wholly to the orator, on the 10th day of November, 1885, the sum of \$85,198.73. The capital stock of this corporation was \$50,000, and, by the laws of Massachusetts, the officers of the corporation were made jointly and severally liable for its debts, in certain cases specified, and not otherwise. (*Pub. Stat. Mass., chap. 106, sec. 60.*) The only one of the cases specified which is applicable to this case, as shown by the evidence, is the third. In that case they are made so liable when the debts exceed the capital, "to the extent of such excess existing at the time of the commencement of the suit against the corporation upon the judgment in which the suit in equity to enforce such liability is brought," as thereafter provided. These laws of Massachusetts were not put in evidence, but it is the duty of this Court to take judicial notice of them. (*Fourth National Bank v. Francklyn*, 120 U. S., 747.) No such suit in equity to enforce any judgment in a suit, or any such suit, appears ever to have been brought. No liability of officers or stockholders of a corporation exists at common law, but only by statutes of the sovereignty creating it. When so created it exists only as created, and can be enforced only as provided by such statutes, when they make provision for that purpose. (*Pollard v. Bailey*, 20 Wall., 520; *Fourth National Bank v. Francklyn*, *supra*.) Such liability, under a statute like this, before suit brought to fix it, is not a debt, nor any fixed obligation to pay; but is only that from which, by the prescribed course, an obligation to pay may be raised. (*Ripley v. Sampson*, 10 Pick., 371; *Bangs v. Lincoln*, 10 Gray, 600.) This is different from cases where the law raises the liability from the acts of the officers or stockholders, and leaves it to be enforced by the appropriate remedy. (*Windham Provident Institution v. Sprague*, 43 Vt., 502.) Upon this statute and these principles Haines was not liable, and could not be made so, for any of this debt of that company, except for the excess of it above \$50,000; and only for so much of that as might exist at the commencement of a suit against the corporation, to be followed by a bill in equity against him. On

that day he endorsed thirty-one notes of that company, made payable to his order, to the orator, for \$77,500 of this debt, and drew three checks in favor of the orator, of \$2,500 each, for \$7,500 more of it. There was no other consideration for these checks or these endorsements. The orator knew the whole transaction and acquired no rights as a *bona fide* holder for value, without notice. One of the checks was paid. This mortgage was given to take up the two remaining checks and as many of the notes, all of which remained unpaid, as it would cover, and for no other consideration. Haines owed at the time about \$106,000 of just debts, and the mortgage covered substantially all of his property within the reach of his creditors for the satisfaction of his debts, which, upon the evidence, does not appear to have been in fact worth much, if any, more than the amount of the mortgage. The undertaking which Haines entered into by endorsing the notes and drawing the checks was without legal consideration, for no new advancement was made upon it, and the liability of the Huguenot Woolen Co., and of the officers of that company, remained afterwards the same as before. The mortgage was, therefore, really given to secure a debt due from the Huguenot Co. to the orator, and not any debt due from Haines to the orator. Such a conveyance of substantially all his property, for such a purpose, was void as to his creditors, without reference to the statutes invalidating preferences. (*Church v. Chapin*, 35 *Vt.*, 223.) The assignee represents the creditors and has all their rights of defence against the mortgage. Haines could probably have settled for his liability to a suit in equity for the excess of this debt above the capital of the Huguenot Co., about \$35,000, without waiting for a suit against the company and then against him, or either, and given his note, or endorsed the company's note, for the amount, and a valid debt against him have thereby been created. But this was not done; nothing was done but what, taken all together, amounted to an attempt to mortgage his property for a debt due from the company and not due from him.

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But, if this debt, or the excess of it above the capital of the Huguenot Co., was to be treated as a debt of Haines which he might lawfully secure as well as any other, the laws of Vermont provide, that if a person, being insolvent, or in contemplation of insolvency, within four months of insolvency makes such conveyance to a creditor having reasonable cause to believe him insolvent, or in contemplation of insolvency, and that such conveyance is made in fraud of the laws relating to insolvency, the same shall be void. (*Rev. Laws Vt., sec. 1,860.*) With this added to his other debts, or without, there is no fair question but that Haines was actually insolvent at the time of making this mortgage; nor but that he was so far insolvent that he knew the mortgage, if operative, would work a preference to the orator. And the proof shows that the orator was so familiar with Haines and his property and the sources from which it came, and with his liabilities and his aptitude for creating them, that he had good grounds, amounting to reasonable cause, to more than suspect, and to believe, that he was insolvent, and that the mortgage, if operative, would withdraw his property from the reach of his other creditors and prevent its equal distribution, under any law, among them. The proof shows that he did not know of the insolvency laws of Vermont, or that there were any, and that he resided in New York away from their operation, but, as he was situated with reference to this property, in undertaking to cover it with this mortgage, he had reasonable cause to know of these laws, as well as of the facts that bring the conveyance which he took within their operation. Being charged with knowledge of the facts he is presumed to know the laws applicable to them.

The point is made, in the pleadings, that this law of Vermont is contrary to that provision of the Constitution of the United States which prohibits any State from making any law impairing the obligation of contracts. This law does not, however, impair the obligation of any contract. It regulates conveyances, which it does not seem to be doubtful that any State may do, as to any property within its jurisdiction,

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notwithstanding this clause in the Constitution of the United States.

Let there be a decree that this mortgage is void as to the defendant Carney, as assignee of Haines, and that the bill be dismissed as to him, with costs.

Wilder L. Burnap and *Alfred J. Taylor*, for the plaintiff.

James K. Batchelder and *Henry A. Harman*, for the defendant Carney.

ALBERT H. CHADBOURNE

vs.

THE GERMAN-AMERICAN INSURANCE COMPANY.

A policy of fire insurance was obtained by N., on credit for the premium, and made payable to J., as mortgagee. J. became owner of the property insured, and the policy was confirmed to him, and made payable to C., as mortgagee. There was a clause in it providing that it might be terminated on giving notice to that effect, and that, on surrender of the policy, the insurer should refund any premium that might have been paid, reserving *pro rata* rates, when terminated by the insurer. On a Saturday J. and C. received notice from the insurer that the premium was unpaid, and that, if it was not paid on that day, the policy would be cancelled. The premium not being paid, J. and C. received notice from the insurer, on Monday following, that the policy was cancelled. Afterwards the property was destroyed by fire. In a suit on the policy, by C., against the insurer: *Held*,

- (1.) In the absence of fraud or default on the part of J. or C., the insurer had no right to cancel the policy without giving the insured a reasonable opportunity to secure protection by insurance elsewhere, neither J. nor C. being under any obligation to pay the premium;
- (2.) It was proper to submit to the jury the question of reasonable notice;
- (3.) The insurer could not terminate the risk without surrendering the note of N. which it had taken for the premium.

Before WHEELER, J., Southern District of New York, July 16th, 1887.)

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WHEELER, J. This action is brought upon a policy of fire insurance. It was originally procured by Nye & Co., on credit for the premium, and made payable to the Jennings Lumber Drying Co., mortgagees. This company became the owners of the property, and the policy was confirmed to them, and made payable to the plaintiff, as mortgagee. It contained a clause providing that it might be terminated at any time on giving notice to that effect, and that, on surrender of the policy, the defendant should refund any premium that might have been paid, reserving *pro rata* rates, when terminated by the defendant. On Friday the defendant issued a notice to the Jennings Lumber Drying Co., that the premium remained unpaid, and that, if it was not paid on or before the next day, the policy would be cancelled, and sent the notice to that company, and a duplicate of it to the plaintiff, both of whom received it on the next day, at about 10 o'clock. The premium was not paid by any one, and on that next day the defendant sent another notice to that company, and a duplicate to the plaintiff, that the policy was cancelled, and demanding a return of the policy and payment of the earned premium. These notices were received by that company and the plaintiff on the next Monday, at about 10 o'clock in the forenoon, and the property was destroyed by fire between noon and two o'clock on the same day. The defendant resisted recovery on the ground, among others, that the policy was cancelled, and notice given, before the loss. The Court charged the jury on this subject, in substance, that the policy would continue in force until notice was given that it was cancelled, and for a reasonable time after for procuring other insurance to replace it. The jury returned a verdict for the plaintiff, and the defendant moved for a new trial because of this direction to the jury.

In *Wood on Fire Insurance*, (sec. 107,) it is laid down, that "the insurer cannot be permitted to cancel a policy *instantly*, except in case of fraud on the part of the assured, or acts or omissions that amount to fraud on his part, but must give the assured a reasonable opportunity to secure protection by in-

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insurance elsewhere." None of the cases cited by the counsel for the defendant involved this precise point, and they are not really in conflict with this proposition. (*Stone v. Franklin Fire Ins. Co.*, 105 *N. Y.*, 543; *Van Valkenburgh v. Lenoir Fire Ins. Co.*, 51 *N. Y.*, 465; *Bergson v. Builders' Ins. Co.*, 38 *Cal.*, 541; *International Life Ins. Co. v. Franklin Fire Ins. Co.*, 66 *N. Y.*, 119; *Ætna Ins. Co. v. Maguire*, 51 *Ill.*, 342, 351; *Grace v. American Central Ins. Co.*, 16 *Blatchf. C. C. R.*, 433.) The plaintiff in this case was not guilty of any fraud, or of any act or omission amounting to fraud, or tending in that direction. Neither he nor the Jennings Lumber Drying Co. were under any obligation to pay the premium. The defendant had accepted the undertaking of Nye & Co. to pay the premium, and delivered the policy as if the premium had been actually paid, instead of withholding it until the premium should be paid, and the policy came to the Jennings Lumber Drying Co. and the plaintiff as a valid policy, paid for. Nye & Co., on whom the obligation to pay for the policy rested, were not notified that the policy would be cancelled if the premium was not paid, and the Jennings Lumber Drying Co. and the plaintiff were not notified that Nye and Co. had not been so notified, and would not know that the premium had not been paid by Nye & Co., until they received notice that the defendant had cancelled the policy. They are, therefore, not only not shown to have been guilty of any fraud, but not of any default even. The defendant could unquestionably cancel the policy in the manner prescribed in it, for the default of Nye & Co., or for any other cause, or without any cause, but had no claim upon any one else for the premium, and could not enforce payment from any one else, except by threatening to cancel the policy if payment should not be made. This part of the defendant's case rested, therefore, upon the right of the defendant to cancel the policy instantly, so as to terminate all liability upon it at that moment, which, according to this proposition, did not exist.

The defendant urges further, in support of the motion,

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that the question of reasonable notice should have been determined by the Court, and not submitted to the jury. This would probably be true if there was no question about the facts. But evidence was introduced tending to show that this property was of such a nature that insurance companies would not take a risk upon it without a survey, which could not have been had and insurance effected, after the first notice was given even, before the fire; and, on the other side, it was claimed, that, by the known usages of such business, it could have been done in a very short time. On this there was a question of fact to be submitted to the jury, as to how long it would take to effect an insurance, if any time was to be allowed for that purpose.

It is further to be noticed, that, by the terms of this policy, it could be terminated on giving notice to that effect, but the premium was to be refunded only on surrender of the policy. These notices were sent by mail, and the plaintiff and the Jennings Lumber Drying Co. had no opportunity to surrender the policy, and have an adjustment of the premium, without seeking out the defendant for that purpose. No premium had been actually paid, but the defendant had the obligation of others for it, which had been accepted in lieu of it. The right to cancel depends on pursuing very strictly the course prescribed, which includes the refunding of the premium, without requiring anything from the assured. This is shown by the cases cited by the defendant's counsel, before referred to. If the note of the assured is taken for the premium, it must be refunded, the same as if money had been paid, in order to terminate the risk. (*Wood on Fire Ins.*, sec. 106.) The defendant did not surrender the obligation of Nye & Co. held for the premium, either to Nye & Co., or the Jennings Lumber Drying Co., or the plaintiff, but holds that obligation still. On principle, it would seem that the surrender of that was a part of what was required to be done to effect a termination of the risk. If so, the plaintiff was entitled to the direction of a verdict in his favor, as to this part

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of the case, and the defendant was not wronged by having it submitted to the jury.

Motion denied.

Roger Foster, for the plaintiff.

William D. Murray and *Luke A. Lockwood*, for the defendant.

THE MORSE ARMS MANUFACTURING COMPANY

vs.

THE WINCHESTER REPEATING ARMS COMPANY. IN EQUITY.
ORIGINAL BILL.

THE WINCHESTER REPEATING ARMS COMPANY

vs.

THE MORSE ARMS MANUFACTURING COMPANY. IN EQUITY.
CROSS-BILL.

Claim 1 of letters patent No. 15,995, granted to George W. Morse, October 24th, 1856, for improvements in breech-loading fire-arms, and extended for 7 years from November 29th, 1872, namely, "Inserting the rim, (N,) or its equivalent, without contact, into the chamber, (O,) substantially in the manner and for the purpose described, contact being obtained through the medium of the cartridge case," is not infringed by a gun in which, though there is an open joint, there is no capped rim N, and no grooved chamber O, though there is a chamber, but the rim of its breech-block is not inserted into the rear end of the barrel.

Claim 1 does not cover every breech-loading gun in which there is a space between the forward end of the breech-block and the end of the barrel, designedly left to secure freedom of motion of the parts, and in which contact is obtained by the expansion of a loosely fitting cartridge-case.

Such a construction of the claim cannot be admitted, in view of the state of the art.

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Claim 2 of the patent, namely, "I claim the nippers S, and the mode of operating them by the pins r r, and the shoulders 7 on the hammer, or equivalents therefor," does not cover all extracting hooks which are attached to the breech-block and move radially, but only includes the nippers S and any equivalent mechanism which is attached to the breech-block and withdraws the cartridge in substantially the same way as do the nippers S.

On a cross-bill filed to obtain the cancellation of a written agreement between the parties, the repayment of \$10,000, and an injunction against any attempt to collect a note for \$15,000, on the ground that the money was paid and the note given solely on the consideration of fraudulent papers exhibited to the agent of the party paying the money and giving the note, this Court, though of opinion that the money was paid and the note given on a mistake as to material facts, *held*, that the defence was as available in a suit at law as on a bill in equity, and dismissed the cross-bill without prejudice to the right to interpose the defences, except the defence of fraud, in any action at law that might be brought.

(Before SHIPMAN, J., Connecticut, July 18th, 1887.)

SHIPMAN, J. The main case is a bill in equity based upon the alleged infringement of letters patent No. 15,995, which were granted to George W. Morse, on October 28th, 1856, for the term of fourteen years, for improvements in breech-loading fire-arms, and which were extended for a period of seven years from November 29th, 1872. The bill was filed November 23d, 1875.

Before 1856, many breech-loading military guns had been invented, but all are said to have possessed two general objections: "1st. Want of solidity of the parts most exposed to the action of the charge; 2d. Liability of the movable parts to become unserviceable by their getting fast from rust or dirt deposited at each discharge, and the escape of the gas through the joints or junction of the different parts." (Report of Ordnance Board of U. S. Army, June 21st, 1848.) A joint at the breech, which was made as tight as possible, was the construction which was ordinarily relied upon, in military arms, to prevent the escape of gas. Tight joints became clogged with dust, or became heated and expanded after frequent firing, and, after exposure to the elements, became rusty, and, therefore, unserviceable. The patentee's gun, on the contrary, had an intentionally open joint, and relied en-

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tirely upon the expansion, at the time of the explosion of the cartridge, of a yielding, metallic cartridge-case, to close the joint. It becomes important to ascertain the relation which this gun had to its predecessors in the art of military breech-loading arms.

In one of the forms of the Pauly cannon, which was described in his English patent of 1816, a culot or cartridge stopper was attached to the rear of the cartridge, which, the patentee said, "is so placed in the gun as to come between the charge of powder and the movable breeching in all cases, and is formed of lead, copper, or such other durable material as will give way to the explosive force of the charge, and so formed and situated that, by yielding or giving way, it will completely and effectually cover and close up the joint or joining between the movable breeching and the gun itself." The door or movable breeching of the gun was so adjusted at its hinge, that the flat side, which came nearest the chamber of the gun, did not rub or touch against the cavity made to receive it, but only against the cartridge stopper. By means of powerful mechanism, the door was "forcibly driven upon the culot to fix the same with the cartridge in the gun." There was a loose joint between the movable breeching and the chamber, but this was stopped by the culot, which was a sort of false breech, and was so wedged in, before the gun was fired, as to make a very close contact or tight fit with the breech. Although the patentee says that, by its yielding or giving way, after the explosion of the cartridge, it will close the joint between the movable breeching and the gun, I do not consider the device to be an anticipation of an open joint. It was an attempt made, by the aid of expansible soft metal, to close, both before and after firing, a joint between the breech and the chamber.

The sealing of a breech-loading sporting gun and the consequent prevention of the escape of gas, by means of the expansion of an exploding cartridge against the walls of the chamber, had been effected in the gun of Legacheux, which was described in the report of Baron Seguiet to the Society

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for the Encouragement of Industrial Science, in March, 1835. Notwithstanding the prophecy in the report, that henceforth not "exactness, but only the solidity of the closing parts, will render the problem of the manufacture of arms of the broken breech system difficult to solve," it is clear that the joints of Legacheux's gun were tightly fitting, and the maker must have relied, in part, upon the tight fit, for the prevention of the escape of gas.

Walter Hunt, in his cartridge patent of 1850, also prophetically declared that all reciprocating breech guns must be loosely fitted in the breech of the barrel, behind the charge, in order to prevent binding from heat, deposits, etc., in rapid firing, but he did not give the description of the gun.

The Flobert saloon pistol, patented in 1849, and the Pryse and Redman improvement upon it, patented in 1853, each had an open joint between the wide hammer (which also served as a breech-block to resist the recoil of the cartridge,) and the barrel, and used a cartridge which was the only means of sealing the open joint, and which, in the Pryse and Redman pistol, did seal it.

The Flobert pistol was a small one, used only for saloon or target practice. The escape of gas was not prevented by the hammer. The patent says that the hammer, which produces the percussion of its blow, would go back with the same elasticity with which it struck, just enough to allow the escape, like a valve, of the excess of force.

The Pryse and Redman pistol was a stronger weapon than the Flobert; the improvement consisted in a latch or bolt pivoted to the top of the hammer, for automatically locking it, so that it would not go back when the pistol was fired. This arm had a combined hammer and breech-piece, and, of course, did not have a breech-piece which held the cartridge in its seat, to receive the blow of an independent hammer. The breech-block was, therefore, not strong enough for, or adapted to, a military gun.

The Smith and Wesson gun, patented in this country, February 14th, 1854, had a more open joint than any preced-

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ing military or sporting gun. The character of the joint, as it is now shown in the Patent Office model of the gun, is thus stated by Mr. V. D. Stockbridge, one of the plaintiff's experts: "The Patent Office model has a breech-pin or piston, which moves forward into a counter-bore in the rear end of the barrel, or that part of the metal which constitutes the barrel, and nearly fills such counter bore, and, also, so near as I can ascertain with the facilities I have at present, comes up very close to the shoulder, forming the bottom of the counter-bore, and where the barrel proper ends. By experiment, I find that the breech-pin can be inserted into the counter-bore and into a locked position, with an envelope of thin paper across its front face and over the top and bottom sides. It follows, therefore, that this breech has not a very tight fit. I find, however, that the piston is slightly tapered at the top of the front end, and, being made of comparatively soft metal for purposes of a breech-block, the looseness may be due to the wear of the part or parts contiguous to each other. From the appearance of the arm when closed, while I do not find a perfect mechanical fit between the breech-pin and the barrel, I should class it among what I have denominated tight breech guns." Under the proper definition of an open joint, which is a joint having "a sensible or distinct space between the rear end of the barrel in which the cartridge is placed and the forward end of a breech-block," the Smith and Wesson gun of 1854 did not have an open joint, but it did not have the tight joint of preceding inventors, who relied upon tightness to prevent the escape of gas. Its inventors could not have expected that its joint was to be efficient for that purpose. It used a cartridge similar to those used in the saloon arms of Flobert, and Pryse and Redman. The breech was sealed and the escape of gas was prevented by the exploded cartridge, which was carried outward with the barrel, at the time of the explosion, and thereby preserved a gas-tight joint. The cartridge, when inserted in the gun, made a substantial mechanical fit between itself and the cylindrical part of the chamber. It had the same capacity for sealing

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the joint as the modern cartridges have, but it was not called upon to expand, and, by its expansion, bridge over an open space, as is the case with cartridges now used, which, when inserted, do not quite fill the walls of the barrel. In its firing mechanism, it was an improvement upon the Pryse and Redman pistol, and was, to a certain extent, its successor. The blow of an independent hammer was delivered upon the rear end of its breech-piece, which was brought behind the cartridge and was then driven forward by this blow. The Morse gun has a breech-block which is moved forward and forces the cartridge to its place in the chamber of the gun, and remains firmly there while the cartridge is fired by a separate organization.

The gun of the defendant is made under the Smith and Wesson patents of 1854, and the B. Tyler Henry improvements thereon, patented in 1860.

Mr. Morse, the patentee, had bestowed study and thought upon the subject of breech-loading guns, and, in 1856, while looking at a Minie ball, conceived the idea of making a breech-loading military gun, which would be sealed at the breech solely by the expansion of the cartridge, upon the principle of the expansion of the Minie ball at its base or rear end. He then invented a flanged centre fire, outside flanged, yielding metallic cartridge, which was patented by letters patent No. 15,996. This was so important a part of his invention, that I quote the claim of the patent, as follows: "The combination and arrangement of the cartridge-case, as constructed, with the priming apparatus, as constructed, or their equivalents, whereby I effect the entire exclusion of any and all escape of the gas produced by the combustion of the powder of the cartridge and priming, except by the one channel—the bore of the barrel of the gun—the breech-joints and priming-vents being thereby so effectually sealed and closed that no air can escape at these parts of the gun after the charge is fired, until the cartridge-case is withdrawn from the bore, although air blown in at the muzzle, before firing the charge, might escape through these joints, as it would in the cases above

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referred to." He also invented a gun in which the patented cartridge, or a similar cartridge, was to be used, and which is the subject of the patent in suit. The two claims which are involved in this case refer only to the open joint at the breech and to the cartridge extractor.

Excluding, for the present, any consideration of the extractor, the invention, as a whole, consisted in an efficient, military breech-loading gun, whose breech is movable with relation to the barrel, purposely intended to make, by means of a somewhat loosely fitting, yielding or elastic cartridge case, a loose or open joint, tight between the chamber of the barrel and the breech-block, the breech-block not acting as a hammer, but being combined with a firing-pin which communicated the blow of the hammer to the priming of the cartridge. His cartridge-case was adapted to his gun, but the gun patent was properly not limited to the precise construction of the cartridge-case which he adopted.

Although the ideas of the patentee in regard to the open joint are expressed at length in his original application for the patent, they are briefly expressed, in the patent as granted, as follows: "My gun is so constructed, that, before loading it, I can blow through it, or run water through it, with facility, but, when the charge is in, it becomes comparatively air and water tight, because I use a cartridge-case which seals the breech-joint both as to powder and the priming." The specification further says: "The barrel face (M) of the breech-piece is cupped by a rim (N), portions being cut out for the nipper-jaws to drop in and clasp the cartridge. This rim projects without contact into the chamber, (O,) fig. 14."

The first claim of the patent in suit, and the only one in regard to the open joint, is as follows: "Inserting the rim, (N,) or its equivalent, without contact, into the chamber, (O,) substantially in the manner and for the purpose described, contact being obtained through the medium of the cartridge-case." The rim N is an annular rim or tongue, which enters without contact into a corresponding annular groove in the rear end of the barrel, which is the chamber O.

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The defendant's gun, now known as the Winchester Repeating Gun, has an open joint. The face of the breech-block is flat, and there is a perceptible space between it, when advanced to its extreme forward point, and the rear end of the barrel. It has no cupped rim N, and no grooved chamber O. It has a chamber, for, the vacant space in the rear end of the barrel behind the cartridge, when it is in its seat, is a chamber. The forward end of the breech-piece, when pushed forward, stops somewhat short of the rear end of the barrel.

Unless an unnaturally broad construction is given to the claim, there is no infringement. The defendant's gun does not have the rim N, nor the chamber O, of the patent, and the rim of its breech-block is not inserted into the rear end of the barrel. If the scope of the patent is to be, as it must be, limited by the invention which is expressed and described in the claim, the defendant's gun is not included in the grant.

But the complainant insists, that, inasmuch as Mr. Morse was the original inventor of the open joint in military arms, and inasmuch as the system which he introduced has worked a revolution in that art, the claim should not be limited to the precise mechanism, but should be construed to include a breech-loading gun in which there is a space between the forward end of the breech-block and the end of the barrel, designedly left to secure freedom of motion of the parts, contact being obtained by the expansion of a loosely fitting cartridge-case.

It is, I think, undoubtedly true, that the Morse gun, as a whole, was of great public benefit. The gun and cartridge were brought to the attention of the United States Government, and the Ordnance Board, convened in 1858, for the selection of a plan of altering old arms to breech loaders, selected or recommended the gun, for the reason that it contained "the new and untried principle of a primed, metallic cartridge-case," which might be found useful. One hundred guns were made for private use. The right to alter two

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thousand old arms, in accordance with the patent, and the right to make one thousand new carbines, were sold to the United States Government. The war of the rebellion followed in 1861, during which the United States army was provided with breech-loading arms only to a limited extent, but, during the progress of the war, invention in fire-arms was greatly stimulated, and, after the close of hostilities, the subject received earnest attention from the Government. About 1866 it began the manufacture of military breech-loading arms which contained the peculiarities which are found in the Morse gun, that is to say, quoting the language of Mr. V. D. Stockbridge, to whom I have before referred, and who was for many years examiner, or assistant examiner, in the Patent Office, in the class relating to fire-arms, and an acknowledged authority upon that subject, "a fire-arm having a movable breech-block, which was not intended to make a tight joint by contact of its parts between the rear end of the barrel and said breech-block, but which was to have its joint between them sealed through the medium of a yielding cartridge-case and breech-block, having a firing-pin passing therethrough, a taper in the barrel, tapered in connection with a means for extraction, a centre-fire or centre-primed cartridge, an extractor which would throw the cartridge clear out of the gun—all these were and are embraced in the arm made by the Government. This may be said to be the beginning of the general manufacture in this country, and in the world, of fire-arms embracing all of these essential characteristics."

Assuming that the plaintiff's construction is correct, and that the claim is for a breech-loading gun in which the parts are constructed on the plan of not attempting to seal the breech by the contact of these parts with each other, the sealing of the breech being effected by the use of any properly organized cartridge-shell, the question, upon this part of the case, is, whether the claim, upon this broad construction, can be sustained, in view of the prior art.

Obviously it cannot, if the term breech-block includes a

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device which performs, in some degree, the function of a breech-block, although it is also a hammer. It should be conceded that the Pryse and Redman breech-block, not being a mechanism which presses the cartridge to its seat and holds it there to receive the blow of a hammer, is not a breech-block which is capable of being used in a military arm, and, therefore, is not the breech-block of the Morse gun.

The question is thus narrowed to this—whether, in view of the pre-existing art, as shown in the Smith and Wesson gun, a sweeping claim for any open joint between a distinctive breech-block and the barrel, irrespective of any other mechanism, is to be sustained.

The Pryse and Redman pistol had an open joint. The Smith and Wesson gun took the Pryse and Redman cartridge, and substituted for its combined hammer and breech-piece a breech-piece which was moved forward to the rear end of the cartridge by toggle joints, and a hammer which struck its blow upon the rear end of the breech-piece. The pressure of the breech-piece, and the blow of the hammer against it, forced the metal or rims of the cartridge into the recess upon the front end of the breech-piece. The intention was to cause the breech-piece to hold the cartridge with sufficient power to enable it to be drawn out of the barrel by the withdrawal of the breech-piece.

Smith and Wesson changed the Pryse and Redman hammer into a substantial breech-block, and, in so doing, made a closer joint. In their gun there was not the intentional open joint which has become conspicuous in modern guns, but the line of demarcation between the width of its joint and of the open joints of the Morse and other guns is a narrow one. A trifling variation in the length of the breech-pin makes the successors of Smith and Wesson infringe.

Upon the plaintiff's construction, if technicalities are to be observed, they do infringe, and all breech-loading guns which have cut off a little from the end of the Smith and Wesson breech-block must pay royalty to the owners of the Morse patent; but, even if the patent had clearly declared

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that this was its scope, I should reluctantly have come to the conclusion that, irrespective of any other mechanism, a mere widening of the Smith and Wesson joint was an infringement. But, when the patent has avoided such a declaration of invention, and placed its claim upon much narrower grounds, there is no necessity of considering what would be the result if the patent had been as broad as the plaintiff would construe it to be.

The second and only remaining claim which is in controversy relates to the extracting mechanism, and is as follows: "I claim the nippers S, and the mode of operating them by the pins *r r*, and the shoulders 7 on the hammer, or equivalents therefor."

The idea of the extractor, which is called the "nippers S," was taken from the jaws or clamps of a pile-driver, and, like the pile-driver device, the nippers had two forward ends moving towards or away from each other, and two rear ends moving towards or away from each other. They are pivoted to the breech-bolt, are capable of moving in radial lines, the forward ends are "moved towards or away from each other by two sets of projections, one of which pushes the forward ends towards each other and the other the rear ends towards each other, thus spreading the forward ends apart, as the nippers are moved back and forth with the breech-bolt." One of these sets is called in the patent the pins *r r*, and the other is called the shoulders 7.

The mode of operation of the nippers is as follows: The gun being unloaded, a cartridge is shoved into the barrel, when the lever is shut down, which shoves the breech block forward against the rear end of the cartridge, the breech-block carrying the nippers beyond the flange of the cartridge. The trigger is then pulled, releasing the hammer, which strikes the firing-pin, the shoulders upon the sides of the hammer at the same time striking against the rear ends of the nippers and causing their front ends to swing in and engage with the cartridge-flange. After the gun has been fired, the lever is raised and draws back the breech-block, which

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forces the hammer back to full cock. The nippers, as they are also drawn back, strike against the pins *r*, and swing outward at their front end, and let go of the cartridge-shell.

The Winchester extractor is a spring hook, rigidly attached to the breech-piece, which, as the breech is closed, rides over the flange of the cartridge and automatically engages therewith, making a latch connection; there is also a rigid stud on the other side of the breech-block, which passes underneath the cartridge, as the breech is closed; as the breech is opened, the extractor-hook draws the cartridge back until it is out of the chamber, at which time it is held between the spring hook and the rigid stud, when the carrier-block, coming up from below, hits the shell and throws it clear from the gun, being assisted also by the spring of the extractor-hook.

It is not claimed that the defendant's gun has the pins *r r* or the shoulders 7, but it is contended that the second claim embraces two claims, one for the nippers *S*, moving radially, irrespective of the mechanism by which radial motion is imparted, and the other for the particular means by which motion is imparted, and that, as Morse's invention was the first one that consisted of a hook having radial motion and attached to the movable breech-block, any extracting-hooks which are attached to the breech-block and move radially infringe his patent. I cannot accede to this broad construction, which is altogether too sweeping in its character, and would include any radially moving hooks which are attached to the breech-block, although they may operate, or be operated upon, by means very different from the method by which the nippers *S* are made effective. Mr. Morse did not invent any and all radial hooks; he did invent the nippers *S* and radial hooks operating in substantially the same way. The claim is two-fold and includes the nippers *S* and any equivalent mechanism which is attached to the breech-block and withdraws the cartridge in substantially the same way as do the nippers *S*. The second branch of the claim is for the mechanism of the patent and its equivalent.

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The extracting device of the defendant is a spring hook, one end of which is rigidly attached to the breech-piece, the hook portion having an inclined or beveled face. As the breech-piece moves forward, this end strikes against and rides over the edge of the cartridge-flange, and makes a latch-like connection with it. When the breech-block is withdrawn, the hook pulls the cartridge-shell, which is held between the hook and the stud, backward, until the carrier-block tips up the front end of the shell and thereby releases it from the hook. This is an altogether different mode of operation from that of the two opening and closing forward ends of the Morse nippers. These two hooks, having been pushed forward with the forward movement of the breech-block, and not having engaged with the cartridge-flange, are brought, by another movement, over the flange, then are moved backward, and, by another movement, are spread apart and the cartridge is released. The Winchester extractor is pushed forward, and, by its forward movement, rides over the flange of the cartridge, is then drawn back, and does not release the empty cartridge until it is disengaged by the carrier-block.

The different principle upon which these two devices operate has been heretofore judicially stated in this Circuit. Judge Blatchford, in *Renwick v. Cooper*, (10 *Blatchf. C. C. R.*, 201,) when comparing the extractor patented by William O. Hicks, March 10th, 1857, with the Morse extractor, says: "It is, also, an essential point in Hicks' arrangement, that the closing of the breech effects the engagement of the hook. Therefore, a single movement of the hand, to close the breech, is all that is required. In the Morse patent, the forward movement of the breech-closing piece causes no engagement of any hook with the cartridge-flange, and there is no such engagement until the hammer is brought into action, by a second movement of the hand, to act on the tails of the hooks, to cause such engagement, after the forward ends of the hooks are moved forward by the breech-closing piece."

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This language is equally applicable in a comparison of the Winchester and Morse extractors.

The Winchester extractor is a modification of the Hicks device. (*Renwick v. Pond*, 10 *Blatchf. C. C. R.*, 39.) His extractor was a rigid hook, inclined upon its front face, and projecting forward from the centre of the breech-piece, so as to strike the edge of the circular hole in the cap of the cartridge, when the breech-piece was moved forward. The elastic edge of the brass disc of the cap engaged with the bill of the hook, and the cartridge was drawn back by the backward movement of the breech-piece. The fact that the Winchester extractor is a spring hook, and therefore acting radially, and engages with the outside flange of the cartridge, does not bring it within the Morse invention, because the mode of operation of the two devices is not alike.

The complainant's bill sets forth an agreement, dated August 21st, 1872, between the owners of the Morse patent and the defendant, whereby, as it is alleged, the defendant, by way of settlement and compromise of the claim of the said owners against the defendant, for damages for its infringement of said patent, agreed to pay and did pay the sum of \$10,000 in cash, and gave said owners its note for the further sum of \$15,000, which money and note when paid were to be in full settlement and discharge of said claim for damages for infringements committed before October 28th, 1870, but, if said note was not paid according to the terms of said agreement, then the defendant should be held liable for said damages, and further alleges the non-payment of said note.

The defendant's cross-bill relates to said written agreement, and prays for a cancellation thereof, a repayment of said \$10,000, and an injunction against any attempt to collect said note, upon the grounds hereafter set forth. The facts in regard to said contract are as follows: On June 8th, 1872, in the suit of *Renwick v. Pond*, who was the selling agent of the Winchester Arms Company, upon the Hicks extractor patent, a decree was entered by the Circuit Court

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for the Southern District of New York in favor of the validity of said patent. The Court said, in its opinion, that Hicks' invention dates back to a period shortly after the 14th of August, 1855, and anterior to the date of the invention shown in the Morse patent. A suit upon the Hicks patent, against the defendant, in Connecticut, was apparently imminent, which it feared would result in an injunction against the use of its extractor. About the same time, a suit upon the same patent, and a motion for a preliminary injunction, was brought by Renwick against Albert Cooper, in the Southern District of New York. This suit was also defended by the Winchester Arms Company. A deliverance from the threatened injunction in Connecticut was deemed of great importance by W. W. Winchester, the vice-president of the company. The president was then in Turkey, making arrangements for a large contract for arms with the Ottoman Government. In June, 1872, Mr. Morse was applying for an extension of his patent before the Patent Office, and was being opposed by the Winchester Company. About the time that the decision was rendered in the Pond case, Mr. Morse informed Mr. Dodge, the attorney of the Winchester Company in the Patent Office controversy, that he, Morse, could furnish oral and documentary proof that his gun, which was patented October 28th, 1856, was invented before August 14th, 1855, and that the documentary proof was contained in a caveat which he had filed before his application. Mr. Dodge informed the Winchester Company of these statements. Subsequently, the negotiations on the part of the owners of the Morse patent were conducted by James A. Skilton, Esq., as their attorney, and by Mr. W. W. Winchester, and by different gentlemen, at different interviews, in behalf of his company, and culminated in a written contract, dated August 21st, 1872, of which the following is a copy:

“Whereas, letters patent of the United States of America were granted unto George W. Morse, now of Greenville, South Carolina, for improvements in breech-loading firearms, bearing date October 28th, 1856, and numbered 15,995,

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which letters patent are now owned by the said Morse and others, for whom James A. Skilton, of New York, hereinafter mentioned, is duly authorized and empowered, as their attorney in fact, to act in all matters covered by this agreement: And whereas, the Winchester Repeating Arms Company have made and sold fire-arms which are claimed to contain a substantial and material part of the invention secured by said letters patent, and to infringe the same; and said company is desirous of settling for said claimed infringement, upon being furnished with satisfactory evidence that said Morse is the first inventor of said improvements in fire-arms, and especially that the said Morse prepared caveat papers describing the same, which were signed and certified to before the alleged invention of one William C. Hicks, to whom letters patent of the United States of America have also been issued, and thereafter re-issued, bearing date March 1st, 1870: Now, therefore, for the purpose of effectuating such settlement, it is by said parties mutually agreed, the agreements of each being in consideration and on condition of the agreements of the other:

First. That the said Winchester Repeating Arms Company will pay to said Skilton, for said owners of said letters patent, on the due execution of this agreement, the sum of five thousand dollars (\$5,000) in cash, and the further sum of five thousand dollars (\$5,000) in cash upon the delivery of the papers and affidavits hereinafter mentioned to the said Winchester Repeating Arms Company, and will execute their promissory note for the further sum of fifteen thousand dollars (\$15,000), payable to said Skilton, as said attorney, or order, on demand, which note is to be placed for safe keeping and to be delivered as hereinafter provided in the third article of this agreement.

Second. The said owners of said letters patent and the said Skilton agree to deliver to said Winchester Repeating Arms Company, or their attorney, on or before the 27th day of August, 1872, a duly authenticated copy of the caveat specification, petition, drawing and certificate of authentica-

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tion, hitherto exhibited to Chas. M. Keller, Esq., of New York, the originals of which are on file in the Patent Office, Washington, D. C., together with the affidavit of the said Morse, showing and declaring that his said improvements were invented before the 14th day of August, 1855; and, upon the rehearing sought to be had in the case of *Renwick et al. v. Pond*, will furnish such other evidence, documentary or otherwise, as may be in their possession, or as it may be in their power to furnish or discover, to said Winchester Repeating Arms Company, or their attorneys, of the priority of said invention to the alleged invention of William C. Hicks before mentioned; all necessary expenses of witnesses and expenses attending the taking of testimony to be defrayed by the Winchester Repeating Arms Company.

Third. The promissory note hereinbefore provided to be executed, in the matter of this agreement, it is mutually agreed shall be deposited with a Safe Deposit Company in the City of New York, to be hereinafter designated by C. M. Keller and J. A. Skilton, hereinafter mentioned, for safe keeping, to be delivered to said Skilton, as said attorney, whenever, and not before, on a motion for a re-hearing in the case of *Renwick et al. v. Pond*, now pending in the United States Circuit Court for the Southern District of New York, or in any other proceeding instituted for the purpose, it shall be decided by said Court to grant said re-hearing; it being, however, understood, that if said motion or proceeding shall be dismissed or fail, on grounds not involving the question of priority of invention between said Morse and said Hicks, said note shall, notwithstanding, be delivered to said Skilton, provided the first mentioned evidence of the priority of said Morse's invention, to wit, the caveat papers hitherto seen by C. M. Keller, and the affidavit of the said Morse, setting forth the required facts, has been furnished to said Winchester Repeating Arms Company, as stipulated herein. And said note shall be delivered by said Safe Deposit Company to the said Skilton, upon the joint request of Chas. M. Keller and Jas. A. Skilton; and, in case of their disagreement as to the ful-

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filment of this agreement and the occurrence of the contingency herein provided, to warrant the delivery of the same, then, upon the request of an umpire or third party to be selected by them, the said request to be in writing.

Fourth. It is further mutually agreed, that, upon the payment of said promissory note, the said Winchester Repeating Arms Company is to be held released and discharged from all claims or damages for the use of said Morse's improvements, as claimed in the specification of his letters patent, dated October 28th, 1856, and numbered 15,995, previous to October 28th, 1870, in the manufacture and sale of the Henry and Winchester repeating arms, and a release and discharge therefrom in writing is to be executed by said owners and said Skilton, if demanded by said Winchester Repeating Arms Company. And, in case said note shall not be delivered and paid according to the terms of this agreement, then said Company shall be held liable therefor.

Fifth. The said Winchester Repeating Arms Company agree not to oppose the application for extension of the letters patent aforesaid, granted to said Morse, now pending before the Commissioner of Patents.

Sixth. And it is mutually agreed, by and between the parties hereto, that nothing whatever in this agreement shall bind or in any way obligate the said Morse, and the lawful owners of the said letters patent, to grant to the said Winchester Repeating Arms Company any license or permit of any kind to make said arms or use said invention of the said Morse, under any extension of the said letters patent that may be obtained hereafter, or in any way set, name or limit the amount of royalty per gun to be paid by the said Winchester Repeating Arms Company, in case such license shall be hereafter granted under such extended letters patent, but the same shall be entirely at the option of the said Morse, his assigns and representatives."

In these negotiations Mr. Skilton also represented that the caveat would show that the extractor described in the Morse patent was invented before August 14th, 1855. It

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had been verbally agreed, about August 14th, 1872, that Charles M. Keller, Esq., the senior counsel of the Winchester Company, should see the caveat of Mr. Morse, which it was represented was filed in August, 1855, and should advise his client as to its value in antedating Hicks' invention, and it was verbally agreed that, in case the evidence from the caveat should be satisfactory to Mr. Keller, twenty-four thousand dollars should be paid to the owners of the Morse patent. On August 16th, 1872, Mr. Keller and Mr. Skilton met in Washington, in the office of Mr. McIntire, a patent solicitor, and were about going to the Patent Office to see the caveat. A violent shower had sprung up, Mr. Keller's health was infirm, and Mr. Skilton suggested that he examine a certified copy, which he, Mr. Skilton, had in his pocket, and which had been certified on that or on the previous day. As a matter of fact, the caveat could not then have been found in the Patent Office, if Mr. Keller had visited the Office, for it was not at that time in its proper place. The certified copy, being a copy of the petition of Mr. Morse for leave to file a caveat, dated August 13th, 1855, and of the oath appended thereto, of the original description of the invention filed with the said petition, and of two sheets of drawings, each plainly marked, "Filed August 24th, 1855," and of the papers which were filed on October 25th, 1855, being an additional description of the invention as exhibited in the second sheet of drawings, and of the letters of Mr. Morse and his attorney, Mr. Clinton, was produced and shown to Mr. Keller. The second sheet of drawings was filed October 25th, 1855, with an additional description of the invention as therein exhibited. Nothing appeared upon the face of the second sheet to show that it was not filed August 24th, 1855, but it positively asserted that it was so filed.

The description filed on August 24th speaks in a very general way of a "catch, F," to withdraw the cartridge, and the drawing then filed has a catch F, but no such description is given, either by writing or in the drawing, as to enable a skilled mechanic to make a practical extractor. The drawing

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of the catch is vague. The second sheet and the written description filed October 25th show clearly the extractor, which subsequently appeared in the patent as the nippers S. With both drawings in sight, and upon the supposition that they were filed at the same time, catch F might be thought to be an imperfect side view of the nippers S. Mr. Keller examined the two drawings and the description attached to the petition for a caveat, said: "I am satisfied; give me copies of these two drawings and specifications, with the petition and oath," and wrote Mr. Winchester the following letter:

" Washington, D. C.,

" August 16, 1872.

" W. W. Winchester, Esq.

" My dear Sir:

" I have examined the Morse caveat of August, 1855, and find that it describes and represents the hooks for extracting and discharging the cartridge, if not fired, or the remnants, if fired, and that the description and representation is as full as in the patent afterwards granted. In my opinion, this caveat, with the affidavit of Mr. Morse, will be sufficient for the re-opening of the case of *Renwick v. Pond*, and to defeat the Hicks patent.

" Yours truly,

" CHARLES M. KELLER."

On August 21st, 1872, when the written contract heretofore recited was signed, five thousand dollars were paid to Mr. Skilton; on August 27th, 1872, a certified copy of the original petition for leave to file a caveat, of the specification, and of the two sheets of drawings, both marked "Filed, August 24, 1855," was delivered to Keller and Blake, and another five thousand dollars was paid to Mr. Skilton; and, on August 28th, 1872, the note in controversy, for fifteen thousand dollars, was delivered to him, and was deposited in a trust company, as provided in said contract, where it still remains, having never been re-delivered to Mr. Skilton. The note and contract were assigned to the complainant on July 2d, 1875.

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Upon the hearing of the motion for a preliminary injunction in *Renwick v. Cooper*, these papers, with an affidavit of Mr. Morse as to the date of his invention of the extractor, and an affidavit of an expert, were presented to the Court by the defence. Judge Blatchford said in his opinion, (10 *Blatchf. C. C. R.*, 201,) that the certified copy contained a description and two drawings and that the second drawing was not referred to in the description; and he held that the description and the first drawing suggested the withdrawal of a cartridge by a catch, but contained no description or representation sufficient to enable a practical working apparatus to be made from them, and that the plan in the second drawing was a different one from that suggested in the first drawing, and did not embody any one of the inventions covered by the first three claims of the Hicks patent.

Mr. O. F. Winchester, the president of the defendant company, in November or December, 1872, refused to pay the note upon the ground that his son had been deceived by Mr. Skilton.

The cross-bill alleges as follows: "And complainants further show unto your Honors, that the pretended copy of the said caveat of said Morse, delivered to complainants by said Skilton, as aforesaid, was not a true copy of said caveat, but was a false and altered copy of a caveat filed by said Morse in the United States Patent Office, on the 24th day of August, A. D. 1855, and contained only a part of the specification of said caveat, with additions and alterations. And complainants charge that said additions and alterations were made by said Skilton, or by his procurement, with the intent to obtain the payment to said Morse, Cole, Lambert and Skilton, and to said Morse Arms Manufacturing Company, by the complainants, of the said sum of \$10,000, and the execution by the complainants of the said note for \$15,000. And the complainants paid said \$10,000, and executed said note, solely in consideration of the delivery to them of the false and fraudulent copy of said pretended caveat."

I have given only a very general history of the transac-

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tion and have not attempted to state the various interviews of the parties and their representatives, the disappearances and reappearances of the caveat in the Patent Office, and the different circumstances which are relied upon to give color to the opposing theories of the counsel.

The prominent facts are the following: Mr. Skilton represented and believed that the extractor shown in the patent was shown in the caveat filed on August 24th, 1855. The written contract was based upon the representation and belief that evidence was furnished by the caveat that Morse made the invention described in the patent before August 14th, 1855; and this opinion was founded upon Mr. Keller's letter. The only reason which induced the Winchester Company to enter into the contract was to obtain evidence which would destroy Hicks' patent. Mr. Skilton was not desirous to appear to sell testimony and was desirous to place the payment upon the ground of the settlement of a claim for damages for infringement, and, therefore, the contract was so drawn. The copy of the caveat which was shown to Mr. Keller represented, through the fault of the Patent Office, and not through any fraud of Mr. Skilton, that the second sheet of drawings, which alone contained the invention as it was subsequently described in the patent, was filed August 24th, 1855. This mistake led Mr. Keller to say, in his letter, that the caveat of August, 1855, represents the hooks, and that the representation is as full as in the patent afterwards granted, and led him into the mistaken belief that the nippers S were invented before August 24th, 1855, which a more careful study and conversation with Mr. Morse might have corrected. I am by no means certain that this mistake did not compel Mr. Keller to give the opinion which cost the Winchester Company \$10,000 and its note for \$15,000, but I am impressed with the belief that, if Mr. Keller had been in his customary health, and had given to the caveat the time and study and inquiry which the importance of the subject would have justified, such examination would have disclosed to him that the written description referred only to the

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first sheet of drawings, that no reference was made to the second sheet, and that catch F was a different thing, and upon a different plan, from the two catches in the second sheet. A more accurate and thorough investigation of the caveat papers which were before him, especially of the papers which were known to have been filed in October, would have shown that the two catches were not shown in the description filed in August, and that they were only referred to in the description filed in October, and that he might have learned that the second sheet was not filed in August. I do not find that he was guilty of laches, because the mistake of the Patent Office so misled him that he gave the papers a less exhaustive examination than he otherwise would have done.

Although the Morse Arms Company was nominally formed on July 25th, 1872, I cannot find substantial evidence that any portion of the \$10,000 cash payment was ever paid to, or became a part of the assets of, said corporation, and both from the testimony and from the allegations of the bill I think that none of said money was ever delivered to said corporation.

The note is thus the only thing of practical importance which is involved in the cross-bill, for, the provision in the contract that, in case the note should not be paid, the Winchester Company should be held liable for infringement, is not, in view of the whole contract, an admission of liability, but is an agreement that, in the event of non-payment of the note, the rights of the Morse Arms Company in regard to infringements should remain as they were.

Upon the finding of facts, the question is, whether relief should be given in consequence of the mistake in regard to a material fact, viz., the time when the second sheet of drawings was filed, for, the allegations of the bill in regard to fraud upon the part of Mr. Skilton are found not to be true.

The result of the protracted attention which I have given to this part of the case may be briefly stated as follows: The note was given under a mistake of material facts, and upon

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the foundation of that mistake, although Mr. Keller had at hand the means of knowledge from which the discovery of the mistake could have been made. The defence arising from these facts is as fully open and available to the Winchester Company in an action at law as in a bill in equity. (1 *Story's Eq. Juris.*, sec. 146, note 2; *Kelly v. Solari*, 9 *Mees. & Welsb.*, 54; *Bell v. Gardiner*, 4 *Mann. & Gr.*, 11; *Townsend v. Crowdy*, 8 *C. B., N. S.*, 477.) That being the case, I am not satisfied that it is expedient to render an affirmative decree upon this cross-bill, but, upon the other hand, to leave the liability of the Winchester Company upon the note to an action at law. (*Hamilton v. Cummings*, 1 *Johns. Ch.*, 517; *Home Ins. Co. v. Stanchfield*, 1 *Dill.*, 424.) The cancellation of an "executed contract is an exertion of the most extraordinary power of a Court of equity," (*Atlantic De Laine Co. v. James*, 94 *U. S.*, 207,) and, as the defence to the note is open to the Winchester Company hereafter, I have determined to dismiss the bill without prejudice to the right of the company to interpose its defences in any action which may be brought, except the defence of fraud.

Let there be a decree that the bill and the cross-bill are each dismissed, the latter without prejudice, to the extent hereinbefore stated.

Samuel A. Duncan and Edmund Wetmore, for the plaintiff.

John K. Beach, John S. Beach and B. F. Thurston, for the defendant.

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A citizen of the United States made a contract, at the city of New York, to act as master of a vessel, with a citizen of the United States, who resided at that city, and was, and was supposed by the master to be, the real owner of

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the vessel, though she was registered as a British vessel and carried the British flag: *Held*, that, as between the parties, she was an American vessel, and there was no lien on her for the master's wages, though, if she had been a British vessel, there would have been such lien, by a statute of Great Britain.

(Before WALLACE, J., Southern District of New York, July 21st, 1887.)

WALLACE, J. The libellant sues *in rem* to recover a balance of wages due him as master of the bark Pendergast, claiming a lien by the British "Merchant Shipping Act" of 1854, (*sec.* 191,) upon the theory that the bark was a British vessel. The District Court decreed in his favor, (29 *Fed. Rep.*, 127,) and the owners of the bark have appealed.

The libellant, who is a citizen of this country, made a contract, at the city of New York, to act as master of the bark, with J. L. Pendergast, who also was a citizen of this country, residing at New York city. Pendergast was the real owner of the bark, the vessel having been built for him and paid for by him at Quebec. She was registered at that port, in the name of James G. Ross, as owner, and carried the British flag; but Ross had transferred her, by bill of sale, to one Adey, a British subject, who was in the employment of Pendergast, and Adey had executed a mortgage, for her full value, to Pendergast, with an irrevocable power of attorney, vesting in the latter power to sell and absolute control of the vessel. Pendergast was in possession as the real owner.

The libellant testifies, that, when he made the contract with Pendergast, he supposed Pendergast to be acting as agent for Ross, the registered owner. The District Judge gave credit to this testimony, and the decree of the District Court proceeded upon the assumption that it was true. The evidence taken in this Court shows that this testimony was untrue, and that the libellant did not know who was the owner of the bark until July 31st, 1884, when he went to the British consul to have himself endorsed as master on the ship's register, and then for the first time saw the register and saw by it that Ross was the owner. He had made the contract to serve as master with Pendergast over a fortnight

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before this. It is wholly improbable that he supposed Mr. Pendergast, whose name the vessel bore, was the agent for an unknown owner. The case must be decided upon the theory that he dealt with Pendergast as owner.

Although the bark was registered as a British vessel, and carried the British flag, the libellant was not misled by this *prima facie* evidence of her nationality, but dealt with Pendergast as owner, at Pendergast's place of residence, supposing him to be the owner. As to the libellant the bark was an American and not a British vessel. (*The Alice Tainter*, 14 *Blatchf. C. C. R.*, 41; *The Plymouth Rock*, 13 *Id.*, 505.) The contract having been made here, and being one for services to be performed on a vessel which, as between the contracting parties, was an American vessel, has only those incidents which exist by the general maritime law, as recognized in this country, and not those which are created by the law of Great Britain. Consequently, the contract did not imply a lien upon the ship for the master's wages.

The decree of the District Court is reversed, and the libel is dismissed, with costs of this Court and of the District Court.

Charles C. Burlingham, for the libellant.

James Parker, for the claimant.

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THE AMERICAN BELL TELEPHONE COMPANY AND OTHERS

vs.

THE GLOBE TELEPHONE COMPANY AND OTHERS. IN EQUITY.

The construction placed upon claim 5 of letters patent No. 174,465, granted to Alexander Graham Bell, March 7th, 1876, for improvements in telegraphy, by this Court, in *American Bell Telephone Co. v. Molecular Telephone Co.*, (23 *Blatchf. C. C. R.*, 253,) followed.

On the facts, it was held that the corporation defendant had used the patented invention.

It was also held that the alleged prior invention of Antonio Meucci was only experimental and was without any practical result.

(Before WALLACE, J., Southern District of New York, July 21st, 1887.)

WALLACE, J. The complainants have filed this bill to restrain infringement of the patent granted by the United States to Alexander Graham Bell, dated March 7th, 1876, No. 174,465, for improvements in telegraphy. Infringement is also alleged of the United States patent to Bell, No. 186,787, dated January 30th, 1877, for improvements in electric telephony; but the proofs have not been addressed to the question of the infringement of this patent and it is practically out of the case. The fifth claim of the first patent has been judicially construed in two cases, by the Circuit Court for the District of Massachusetts, and in both of these cases it was substantially held that Bell was the discoverer of the new art of transmitting speech by electricity, and that the claim should receive the broadest interpretation, to secure to the inventor not the abstract right of sending sounds by telegraph without regard to meaning, but all means and processes described which are essential to the application of the principle. (*American Bell Telephone Co. v. Dolbear*, 15 *Fed. Rep.*, 448; *Same v. Spencer*, 8 *Fed. Rep.*, 509.) This Court, in *American Bell Telephone Co. v. Molecular Telephone Co.*,

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followed the construction thus placed upon the claim. (23 *Blatchf. C. C. R.*, 253.) The proofs for the complainants show that the apparatus which it is alleged has been used and offered for sale by the defendants embodies the means and process for transmitting speech by electricity which are the subject of the fifth claim of the patent to Bell; and no evidence has been introduced by the defendant to controvert this fact.

The defendants answer separately. The answer of the Globe Telephone Company and of the defendant Rogers consists merely of general and specific denials of the averments of the bill. The answer of the defendant Meucci alleges that he was the first and prior inventor of the telephone; and that, in 1871, by a series of improvements and experiments in telephony, he had perfected a perfect speaking telegraph, which comprised all the electrical principles since known in the art of telegraphy; that he has never made, used or sold any telephones or speaking telegraphs for any purpose whatever, except that, for more than 24 years, he has had, during most of the time, at his residence at Staten Island, a speaking telephone for domestic use; that, prior to 1876, he endeavored to introduce the invention of said telephones into public use, but by reason of his poverty was unable to do so, and to that end did cause the same to be published in the newspaper the *Eco d'Italia*, and did endeavor to secure the assistance of others, by making known to them his said invention. The answer of the defendant Beckwith consists of a general denial of the averments of the bill, and sets up the priority of the invention of Meucci.

Inasmuch as none of the defendants set up, by way of defence, any prior patents, publications, or instances of prior invention or public use, except the prior invention of Meucci, and their proofs consist only of evidence of Meucci's invention, and evidence to show that they have never used, manufactured or sold electric speaking telephones, or procured or assisted others to do so, it is unnecessary, and would be extraneous to the real questions in the case, to consider the point, made in

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the brief of the counsel for one of the defendants, that the fifth claim of Bell's patent of 1876 is not entitled to the broad construction which has heretofore been given to it by the Courts. The only questions really involved are, whether the acts of the defendants are an infringement of the exclusive rights of the complainants to manufacture, use and sell the electric speaking telephone, and whether the proofs establish the defence that Meucci was the prior and original inventor of that apparatus.

The bill was filed November 10th, 1885. At that time the Globe Company had been incorporated about two years and a half. It was a New York corporation. Its certificate of incorporation recites, that the objects for which the company is to be formed are to "manufacture, sell, license and lease telegraphic, telephonic and electric instruments, and supplies therefor of every description, and to acquire, by purchase or license or otherwise, and dispose of by sale, license or otherwise, patents, patent rights, and inventions relating thereto, and incidental to the manufacture of said instruments and supplies." In August, 1885, the defendant Beckwith became the general manager of that company. At that time he was interested in an invention patented in England known as the Bassano-Slater telephone, and had agreed with the owners to procure a patent for the invention in this country, and had the right to use and introduce the invention here. When he became the manager of the Globe Company, that company was the owner of patents which had been issued to Shaw and to Hadden, for inventions in telephonic instruments. When Beckwith became manager, the company entered into a written agreement with him, by which it promised to use the Bassano-Slater invention in its business, unless by subsequent agreement the parties should agree to substitute other inventions. Beckwith was to have a large share of the profits of the company. It was also agreed between Beckwith and the company, that the latter would secure, "for purposes of defence, the so-called Antonio Meucci claims, evidenced by caveat filed in the United States Patent Office." From the

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time Beckwith became manager until this suit was brought, the company seems to have been mainly engaged in advertising its pretensions as a competitor of the American Bell Telephone Company, in trying to procure money, and in endeavoring to enlist others to become purchasers or licensees of its rights in telephone inventions. It had a capital stock of nominally \$10,000,000, and but very little real capital. Its officers soon became aware that its patents were worthless unless the Bell patent could be invalidated. It had not manufactured any telephone instruments, nor did it have any for sale, but it had in its office certain instruments, the history of which is stated by Mr. Bowen, one of its directors. He testifies as follows: "At a board meeting I raised the question, 'have we got any instruments of any kind?' and it was stated by Mr. Beckwith that we had the Bassano-Slater instruments. The Shaw and Hadden were both infringements upon the Bell and could not be used. It was then suggested by Mr. Beckwith that we could use the Bassano-Slater instruments; that we could use them in connection with the Meucci instruments, and it would make a first-class instrument. Then I think the question came up before the board, in reference to having made a set of instruments for a sample set, to have in the office, to show what they were, as we had nothing. I think I stated, at that time, that, as long as I had been a member of the company, I had not seen anything that looked like an instrument, to show anybody. At that meeting there was an order issued by the Board, authorizing Mr. Beckwith to have made a set of sample instruments, such as he deemed proper and sufficient for testing, for samples, to have in the office, to be exhibited." These instruments were put up in the office of the company in the Mills Building, on Broad street, New York city, by Beckwith, and connected with the office of Mr. Hadden, the electrician of the company, across the street. They were used for several weeks to communicate with Mr. Hadden, and for the purpose of illustrating to others what telephones the company proposed to introduce, to compete with the American Bell Telephone Company. During

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all this time the officers of the company were unwilling to commit it to any acts of open infringement of the Bell patents, fearing that the Bell Company might obtain an injunction and thus embarrass their operations. But they were holding themselves out to the public as the owners of patents which would protect the purchasers or licensees against the claims of the Bell Company, and as prepared to furnish to purchasers or licensees telephone instruments made in accordance with such patents. In September, 1885, the company issued a circular, in which it recited the history of the first Bell patent and the discovery of the prior invention of Meucci. The circular stated that the company was able to fully substantiate the fact that Meucci was the first inventor, and that, besides securing his title to the original invention of the electric magnetic telephone, the company had procured telephone instruments operating upon a different principle from those of the American Bell Telephone Company, and which were not infringements of the patents of that company. The circular invited the public to purchase the instruments, and to promote the formation of companies to become licensees under its patents and claims.

The theory of the Globe Company is, that it has never made or used telephone instruments except experimentally, to test their operativeness; that it has never sold any; that its officers were aware that it could not do so without danger of legal proceedings by the American Bell Telephone Company, until the Bell patent could be successfully contested; and that they were waiting until that time should arrive, and, in the meantime, proposed studiously to avoid allowing anything to be done that would bring their company in conflict with the American Bell Telephone Company. The testimony of its officers is inconsistent with their conduct. The instruments put up in the office of the company were undoubtedly put there and used to demonstrate to the public that the company would supply practical commercial telephones to licensees and sub-companies. When the September circular, inviting the public to purchase telephones, was issued, the officers of

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the company doubtless intended to refer to telephones of the description put up on exhibition in their office, as the instruments which would be used. This is indicated by what took place subsequent to the filing of the present bill. It is shown that, after this suit was commenced, and after an application for an interlocutory injunction against the company had been denied by this Court because there was not sufficient proof of acts of infringement on the part of the company, the company, by its manager, Mr. Beckwith, procured a company to be organized in New Jersey, called the Meucci Telephone Company, for the purpose of erecting a telephone exchange in the city of Elizabeth, and purchasing the rights of Meucci in his invention of telephones, for such purpose. The contract made by Beckwith with the Meucci Company authorized that company to use, in their exchange, the inventions of Meucci, Bessano, Shaw and Hadden, one or more of them; and that contract was ratified by the board of directors of the Globe Company, by a resolution of March 30th, 1866. Shortly thereafter, the officers of the company concluded it would be safer not to execute the contract made in the name of Beckwith until it had the approval of their attorney, and, after consultation with the attorney, there was never any formal execution of a contract. The Meucci company erected a telephone line in Elizabeth, and used upon it telephone apparatus similar to that which had been used in the office of the Globe company.

The proofs establish satisfactorily that the instruments used in the office of the Globe Company are infringing instruments; and it is plain that the use of these instruments in the manner and for the purposes disclosed by the proofs is sufficient to authorize an injunction against the defendant. All the defendants were acting in concert together. Rogers was the secretary and treasurer of the Globe Company. Beckwith, as has been stated, was its manager. Meucci was its nominal electrician. All of them were acting in co-operation, in endeavoring to incite others to appropriate and infringe the rights of the complainants.

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The defence, so far as it rests upon the priority of invention by Meucci, may be briefly disposed of. The circumstance that this defence is not relied upon by the Globe Company in its answer, and that its counsel has insisted, in his argument, that it should not be considered, because not satisfactorily presented by the proofs, although indicating that the principal defendant has no confidence in the asserted priority of invention by Meucci, ought not to prejudice the position of the defendant Beckwith, who relies upon this defence, has urged it with great zeal, and is evidently convinced of its truth.

As was held in the *Drawbaugh Case*, (22 *Blatchf. C. C. R.*, 531,) the patentee starts with the benefit of the presumption of law that he was the first and original inventor of that for which the letters patent were granted him, and whoever alleges the contrary must assume the burden of proof, and the defence of want of novelty or originality must be made out by evidence so clear and satisfactory as to remove all reasonable doubt.

According to Meucci's story, while he was at Havana, employed as a machinist and decorator of a theatre there, and in the year 1849 or 1850, he discovered how to obtain the transmission of words by means of conducting wire united with several batteries to produce electricity, and gave his discovery the name of the "Speaking Telegraph." In 1850 he came to this country and took up his residence at Clifton, Staten Island, where he has ever since resided. He was engaged in various kinds of business, particularly candle making and the manufacture of paper from vegetable fibre, and at one time had a brewery. He states that, soon after coming here, he resumed his experiments with the telephone; that before 1860 he had good working instruments, and before 1865 had instruments which embodied the essentials of the modern magneto instruments. These instruments, he asserts, were known to his friends; were in use at his house before and during the years 1864 and 1865, and subsequently. He describes them from his memory. The originals are not

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in existence. He states that, in 1860, he thought his invention sufficiently perfected to introduce it, and about that time applied to his friend Bendelari, who was going to Italy, to try to get assistance to perfect the invention and bring it into use. He says that he felt anxious to have his invention first appear from his old home, and thought Bendelari would be able to bring the invention out there; and he therefore gave a pretty full description of it to Bendelari, and also, about this time, published the fact that he had made the invention, in an Italian newspaper, published in New York, called "Eco L' Italienne." He states that, after this, until 1871, from time to time, he experimented to make improvements in his invention, but made no particular improvements after 1864 or 1865. He says that, in 1871, he found that his wife, during his illness, had, without his knowledge, sold all the instruments and devices he had used in his experiments in sound telegraphy, except some bobbin, a part of a permanent magnet, and some fragments of pasteboard, which he subsequently found, to a dealer in second hand articles. In the latter part of 1871 he entered into an agreement with three of his Italian friends, by which they became copartners in the business of perfecting and introducing his invention. The written agreement, bearing date December 12th, 1871, is produced, and recites the business of the copartnership as that of "making and trying all the necessary experiments for the accomplishment of the transmission of the human voice through electric wires, invented by the aforesaid Antonio Meucci." These parties immediately took steps looking to the procurement of a patent, consulted Mr. Stetson, a patent expert and solicitor, and, under his supervision, an application for a caveat was prepared, and was filed in the Patent Office, December 28th, 1871. Soon thereafter Meucci consulted again with Mr. Stetson, with a view of making an application for a patent for the invention, but Mr. Stetson discouraged the attempt. Upon the application of Meucci the caveat was renewed in December, 1882, and again in December,

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1883. It is not claimed that Meucci made any essential improvements upon his invention subsequent to the time he obtained the caveat, but, as has been said, he states himself that he made none after 1865.

Such, in brief, is Meucci's own history of his invention. There is no reason to doubt that, for many years prior to 1865, and from that year until he applied for the caveat, he had been experimenting with telephonic and electrical apparatus, with a view of transmitting speech, and during this time had convinced himself that he had made interesting discoveries, which might eventually become useful ones. To this extent he is corroborated by the testimony of a number of witnesses. But the proofs fail to show that he had reached any practical result beyond that of conveying speech mechanically by means of a wire telephone. He doubtless employed a metallic conductor as a medium for conveying sound, and supposed that, by electrifying the apparatus or the operator, he could obtain a better result. That he did not believe he had accomplished anything of practical commercial utility is a reasonable inference from the fact that he did not communicate his invention to those who would have been likely to appreciate it and assist him in perfecting and introducing it to the public. Between 1859 and the time of his application for a caveat he filed many applications for patents for other inventions. During the years 1859, 1860 and 1861 he was in close business and social relations with William E. Ryder, who was interested in his inventions, paid the expenses of his experiments, and, in connection with others, whom he introduced to Meucci, invested a considerable amount of money in Meucci's inventions and their use in business enterprises. He was a constant visitor at Meucci's house, lived near him, and seems to have been his closest personal friend and business adviser. Their intimate relations continued until 1867, when Ryder became satisfied that Meucci's inventions were not sufficiently practical or profitable to devote more time and money to them, and their intimacy ceased, although as late as in 1871 he

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interested himself for Meucci to dispose of some of his inventions. During all these years, according to the testimony of Mr. Ryder, he never heard from Meucci, or anybody else, of Meucci's telephone. In 1864 and 1865 David H. Craig was a partner with Meucci and Ryder in the paper manufacture. He had been intimately associated with others in telegraph inventions and patents and his interest in such matters must have been known by Meucci. He never heard from Meucci, or otherwise, that Meucci had invented, or was experimenting with, the telephone.

The caveat itself is sufficient to indicate that he had reached no practical result. There is no reason to doubt that his application contained the best description of his invention which he was then able to give. Before consulting Mr. Stetson Meucci prepared a description of his invention, intending to make an application for a patent. After consulting Mr. Stetson he concluded to make application for a caveat only. With the aid of an interpreter and the manuscript containing the description, Mr. Stetson prepared the formal application. After it had been prepared by Mr. Stetson, it was sent by him to Meucci, and returned by the latter with amendments to be inserted in it. It is sufficient to say that the application does not describe any of the elements of an electric speaking telephone. Its opening statement refutes the possibility that Meucci understood the principle of that invention. Meucci states that he employs "the well known conducting effect of continuous metallic conductors as a medium for sound, and increases the effect by electrically insulating both the conductor and the parties who are communicating." As originally expressed by Mr. Stetson it contained this statement: "The system on which I propose to operate consists in isolating two persons separated at considerable distances from each other, by placing them upon glass insulators, employing glass, for example, at the feet of the chair or bench on which each sits, and putting them in communication by means of a telegraphic wire." As amended pursuant to

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Meucci's instructions, this statement was qualified as follows: "It may be found practicable to work with the person sending the message insulated and with the person receiving it in free electrical communication with the ground. Or these conditions may possibly be reversed and still operate with some success." It is idle to contend that an inventor having such conceptions could at that time have been the inventor of the Bell telephone. The application does, however, describe a mechanical telephone consisting of a mouth-piece and ear-piece connected by a wire. A letter written by Mr. Stetson, of the date of January 13th, 1872, is in evidence, and is important as confirmatory of the conclusion that beyond this the invention was only inchoate. This letter was written to Meucci when the latter was in communication with Mr. Stetson in reference to obtaining a patent for the invention. In this letter Mr. Stetson, in substance, advised Meucci that his invention was not in a condition to patent, telling him that it was "an idea giving promise of usefulness," and the proper subject of a caveat, but requiring many experiments to prove the reality of the invention.

Without adverting to other evidence tending to indicate that Meucci was merely an experimentalist who had not produced anything new in the art of transmitting speech by electricity, it suffices to say, that his pretensions are overthrown by his own description of the invention at a time when he deemed it in a condition to patent, and by the evidence of Mr. Stetson.

The evidence leaves the impression that his speaking telegraph would never have been offered to the public as an invention if he had not been led by his necessities to trade on the credulity of his friends; that he intended to induce the three persons of small means and little business experience, who became his associates under the agreement of December 12th, 1871, to invest in an invention which he would not offer to men like Ryder and Craig, and that this was done in the

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hope of obtaining such loans and assistance from them as he would temporarily require.

A decree is ordered for the complainants.

Edward N. Dickerson and *James J. Storrow*, for the plaintiffs.

D. Humphreys, for the defendant The Globe Telephone Company.

Seth R. Beckwith, for the defendant Beckwith.

MARIA LAZENSKY

vs.

SUPREME LODGE. KNIGHTS OF HONOR.

The defendant, a lodge, issued to L. a certificate, in December, 1881, reciting that it was issued on evidence that he was a contributor to the widows' and orphans' benefit fund of the order, and stating that, upon condition that he should comply with the laws, rules and regulations governing the order, and be in good standing at the time of his death, the defendant would pay to his wife, the plaintiff, \$2,000 out of said fund, on satisfactory evidence of his death. L. died in January, 1886. In a suit, by the widow, to recover the \$2,000, the complaint alleged that L. was a member in good standing at the time of his death. The answer denied that the defendant had any knowledge or information sufficient to form a belief that L. was a member in good standing at the time of his death, and alleged that L. was suspended from membership June 1st, 1885, for failure to pay an assessment within 30 days from the date of a notice of the assessment: *Held*,

- (1.) It was doubtful whether, under the form of the denial in the answer as to the good standing of L., the plaintiff was bound to prove his good standing, but, the certificate itself and proof of the payment of a prior assessment to the one in question were sufficient to maintain the issue at the outset;

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- (2.) The proof showed that the notice of the unpaid assessment was given only 12 days before the suspension ;
- (3.) An admission by L. of the fact of his suspension was not competent to prove that fact, as against the plaintiff, as she was suing in her own right ;
- (4.) Proof of a mere record of suspension, without proof of proceedings to found it upon, was not sufficient;
- (5.) The requirement as to evidence of death was waived by putting the refusal to pay on other grounds ;
- (6.) It was proper to direct a verdict for the plaintiff.

(Before WHEELER, J., Southern District of New York, July 25th, 1887.)

WHEELER, J. This suit is brought upon a benefit certificate, issued by the defendant to Joseph Lazensky, a member of Manhattan Lodge No. 1165, a subordinate lodge, wherein it is recited that the certificate was issued upon evidence received from the subordinate lodge that he had received the degree of manhood, and was a contributor to the widows' and orphans' benefit fund of that order, and that, upon condition, among other things not material, that he should comply with the laws, rules and regulations then governing that order, or that might thereafter be enacted for its government, and be in good standing at the time of his death, the defendant agreed to pay to his wife, the plaintiff, two thousand dollars, out of the widows' and orphans' fund, in accordance with, and under, the laws governing that order, upon satisfactory evidence of his death. The certificate was dated December 18th, 1881. The plaintiff alleged that he was a member in good standing up to the time of his death ; that he died January 20th, 1886 ; that she demanded the sum of two thousand dollars ; and that the defendant refused to pay it. The defendant admitted the membership and issuing of the certificate, denied that it had any knowledge or information sufficient to form a belief that he was a member in good standing at the time of his death ; and alleged that the defendant had laws, rules and regulations providing for assessments and notices on death of members, and that each member should pay the amount within thirty days from the date of each notice, failing which he should stand suspended,

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and not be entitled to the benefit of the widows' and orphans' benefit fund, until reinstated; that an assessment known as No. 155 was made, and became due and payable, prior to June 1st, 1885, of which he had due and timely notice, and which he failed to pay within the time required, and that, in consequence of the failure to pay that assessment, he was, in the month of June, 1885, and during his lifetime, duly, properly, and lawfully suspended from the lodge; that he took no appeal from the suspension, and was not reinstated, but remained suspended.

On the trial, the plaintiff offered the receipt for assessment No. 155 in evidence, which was received, and rested her case. The defendant's counsel stated that, by a clerical error, the answer was made to read No. 155 instead of 159, and asked leave to amend, which was granted, in case the evidence should require it. The defendant then showed an assessment, May 19th, 1885, numbered 159, and that notice of it was sent to him on the next day; the record of the lodge, in which was entered, that, on June 1st, 1885, he was declared suspended, that on July 6th he was notified to go under examination of the physician for reinstatement, and on July 20th was rejected by the medical examiner; and that he signed an application for reinstatement and presented himself for examination under that application. The defendant called the recording secretary of the lodge, called the reporter, who had the record of the financial reporter, and offered to show by that the non-payment by Lazensky of assessments including No. 159. This was objected to on the ground that the financial reporter was living and should be called, and the question was withdrawn.

Each side claimed that a verdict should be directed, and one was directed for the plaintiff. The defendant moves for a new trial on the ground that the plaintiff did not show that Lazensky was in good standing at the time of his death; that the defendant had shown, by the record, that he was suspended; and, by his application for reinstatement, that he

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was out of the order and not in good standing at the time of his death.

It is somewhat doubtful whether, on the pleadings, the plaintiff was bound to prove that Lazensky was in good standing at the time of his death. The defendant did not deny her allegation that he was, but denied knowledge or information sufficient to form a belief that he was. The course of the order would seem to require that the defendant should have such information at all times within its reach; and the affirmative defence set up assumes such knowledge as to this member. This general denial might be considered to be so evasive as not to amount to anything more than no denial, and to be insufficient to put the plaintiff on proof of her allegation in that respect, as what is not denied under this system of procedure is deemed to be true. (*N. Y. Code of Procedure*, § 522.) But, if required to make proof, only general proof on that subject would be required. The certificate itself furnishes evidence that he was in good standing when that was issued, and the payment of assessment No. 155 would tend to show that he was recognized as a regular member then. The argument has proceeded somewhat as if the certificate was upon condition that he should continue to pay to that fund, but that is not among the conditions. It recites that it is issued upon evidence that he is a contributor to that fund, and makes no further direct reference to it. The fact of payment is not, therefore, material to the plaintiff's case, except as it may be involved in good standing. Proof of recognition for such length of time, in connection with the presumption that all persons follow such laws, rules and regulations as they are under till the contrary is made to appear, would seem to be sufficient to maintain this issue at the outset. (*Knights of Honor v. Johnson*, 78 *Ind.*, 110.) The defendant must be required, therefore, to stand upon its affirmative defence.

This defence must stand or fall upon the allegations of the answer, which are, in substance, that Lazensky failed to comply with the requirements set out in respect to assessment No.

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155, or 159, according as the proof is applicable. There is no proof as to when payment of No. 155 was required, and there is proof that it was paid. There is nothing, therefore, to connect the suspension with any default as to that, and it is not claimed that there is. The notice of assessment No. 159 was not given until May 20th; the requirement set up and shown is that it should be paid within thirty days after; the record evidence of suspension is of one on June 1st, eighteen days before the expiration of the time of payment. There was no default as to that assessment with which the suspension recorded could be connected. It is said, in argument, that, on failure to pay within the required time, he was to stand suspended, and that no further act of suspension would be necessary to put him out of good standing. This may or may not be true. But whether true or not, it is to be remembered that the evidence offered to prove the fact of non-payment of any assessment was, on objection to its competency, withdrawn. Therefore, there is no proof of any non-payment to work such a suspension. It is, however, urged that his application for reinstatement was an admission of suspension making such an application necessary to bring him into good standing again. This would seem to be such an admission on his part, and raises the question whether such an admission by him is admissible to prove a fact against the plaintiff in this suit. He is no party here; neither is any personal representative of him. She sues in her own right, on a cause of action that accrued, if at all, to her and her only. She has acquired the right in consequence of what he did in becoming a member of that lodge, but not through or from him, for he never had it. Neither was that act of his a part of any transaction by which her right is sought to be established that might defeat it, or which would, of itself, prevent it. The act was a mere admission of a past fact, as if he had said merely that he had been suspended and was not in regular standing. Such an admission would doubtless be evidence against him or his personal representative, or a person claiming a right derived from him; but not against a person

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claiming only the benefit of his prior acts. (1 *Greenl. Ev.*, § 171; *Dodge v. Freedman's Co.*, 93 *U. S.*, 379.) It is further said, in argument, that, if he was wrongfully suspended, he should have applied for reinstatement under the rules; and section 3 of article VII of the laws of the order is referred to in this connection. That section refers, however, wholly to suspensions for non-payment of dues, fines or assessments, and there is no evidence of any suspension for such cause. The defendant offered to show a statement made to a witness by Lazensky that he was suspended for non-payment of assessment No. 159; but that was excluded, for the reason that it would be merely his naked statement of a past fact, which, for reasons already stated, could not affect the plaintiff. If admissible and admitted, it could not show that the suspension recorded as made June 1st, 1885, was for that cause, which had not then taken place, but would only show some suspension of which there was no other evidence. The defence is thus left to stand entirely upon the record of suspension of June 1st. *Karcher v. Supreme Lodge Knights of Honor*, (137 *Mass.*, 368,) is much relied upon, with some other cases, in support of that, as a sufficient defence. (*Anacosta Tribe v. Murbach*, 13 *Md.*, 91; *Osceola Tribe v. Schmidt*, 57 *Md.*, 98; *Burt v. Grand Lodge*, 44 *Mich.*, 208; *Woolsey v. Odd Fellows*, 61 *Iowa*, 492; *Harrington v. Workingmen's Association*, 70 *Ga.*, 340.) These cases show clearly that the decisions of such associations, according to their own laws, rules and regulations, which all assent to who become members, are conclusive as to membership and standing, except as they are reviewable within the order, under the laws of the order. But none of the cases go so far as to hold that a mere record of a sentence of suspension, without any proceedings whatever to found it upon, and not according to the laws of the order, is conclusive anywhere. Section 2 of article XII of the laws of this order requires that charges preferred against a member shall be read in open lodge, and a copy of them be furnished to him under the seal of the lodge, and that he be cited to appear to

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answer them. In *Karcher v. Supreme Lodge*, (187 Mass., 368,) the charge was of non-payment of an assessment, and the copy furnished was not under the seal of the lodge. The validity of the judgment of suspension was questioned on the ground that the copy was not sufficient, but it was held that such irregularity would not invalidate the judgment, but not intimated that it would be good without any notice. This suspension is not set up in the answer, and would not appear to be sufficient to show that Lazensky was not in good standing, if it was.

The point is made that evidence of the death is not shown to have been duly furnished, but refusal of payment on other grounds would be a waiver of that requirement.

It does not appear that there was any error in the trial of the case, as presented, for which a new trial should be granted.

Motion denied, and stay vacated.

Charles Steckler, for the plaintiff.

Morris Goodhart, for the defendant.

ALBERT H. CHADBOURNE

vs.

THE GERMAN AMERICAN INSURANCE COMPANY.

Where a cause is removed from a State Court after service of notice of trial, and the plaintiff has a judgment in this Court, he is not entitled to tax, as costs, the costs prescribed by the State statute before the removal.

(Before LACOMBE, J., Southern District of New York, July 28th, 1887.)

LACOMBE, J. This case was removed from the State Court after service of notice of trial. The plaintiff has prevailed,

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(*ante*, p. 492,) and presents his bill of costs. Upon taxation he claimed to be entitled to the costs prescribed by the State statutes up to the time of removal. The clerk disallowed these items, and plaintiff seeks to review his action, relying on the report of an *Anonymous* case in 13 *Abb. N. C.*, 54. It is therein stated that in that case Judge Wallace ordered "that the defendant recover the State Court costs up to the time of removal, and statutory costs in the United States Court subsequent to the removal." I have communicated with Judge Wallace, and learn from him that the report given of this case is inaccurate. The order signed by him was one the form of which was agreed to by both parties, and no decision such as is above indicated was made by him. The rule laid down, in this Circuit, in *Clare v. National City Bank*, (14 *Blatchf. C. C. R.*, 445,) has been in no way qualified, and is still in force here.

The clerk's taxation is affirmed.

Roger Foster and *Samuel B. Rogers*, for the plaintiff.

William D. Murray and *Luke A. Lockwood*, for the defendant.

EDWARD F. CHURCH

vs.

EMANUEL SPIEGELBURG AND ANOTHER.

In a common law action, by one partner against another, for a breach of the contract of partnership, a counterclaim by the defendant, alleging a breach of such contract by the plaintiff, is proper, under the practice in New York; but a counterclaim praying an accounting and adjustment of the affairs of the partnership, being an equitable cause of action, is not admissible.

(Before LACOMBE, J., Southern District of New York, July 28th, 1887.)

LACOMBE, J. The plaintiff and the defendants heretofore formed a copartnership for the purpose of carrying on the

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dry-goods commission business in the city of New York. By the terms of their articles of copartnership, the defendants were to furnish \$120,000 capital, and the plaintiff was to bring to the firm what is known as "commission business," amounting to about \$1,000,000 per annum. The complaint avers that the plaintiff fulfilled his obligations under the articles, but that the defendants, "in violation of their duties to plaintiff and to said firm," wrote to certain manufacturers, whose business the plaintiff had secured, repudiating existing contracts with them, and making false representations as to the inability of the firm to make advances on goods consigned to them, to the great damage of the firm and of the plaintiff.

The amended answer of the defendants sets up, *inter alia*, two counterclaims, which the plaintiff now moves to strike out.

The complaint indicates that this is a common law action, on contract. As such, the sufficiency of the pleading is to be tested by the rules of the State Courts. (*R. S.*, § 914.)

The first counterclaim is for a breach of the contract of partnership by the plaintiff, in that, as alleged, he failed to bring to the firm the amount and kind of commission business which he had agreed to. The cause of action set forth in the complaint arising on contract, the counterclaim, which also arises on contract, may be set up. (*Code*, § 501.)

The second counterclaim is for an accounting and adjustment of the affairs of the partnership. This is an equitable cause of action, and § 914 of the Revised Statutes has been construed as not allowing the interposition of equitable defences in a legal action. (*Montejo v. Owen*, 14 *Blatchf. C. C. R.*, 324; *Parsons v. Denis*, 7 *Fed. Rep.*, 317.)

The motion to strike out the second counterclaim is, therefore, granted, and that to strike out the first counterclaim is denied.

J. K. Hayward, for the plaintiff.

Seligman & Seligman, for the defendants.

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THE PATENT CLOTHING COMPANY, LIMITED

vs.

HENRY B. GLOVER AND OTHERS. IN EQUITY.

Claim 2 of re-issued letters patent No. 9,616, applied for February 19th, 1881, and granted March 22d, 1881, to Rodmond Gibbons, for an improvement in pantaloons, the original patent having been granted June 6th, 1876, namely, "2. In combination with the fly portion of a pair of pantaloons or other similar garment, a check-piece made integral with the button-hole strip of the fly, and adapted to prevent any tension at the crotch & that might operate injuriously upon it," is invalid, as an unlawful expansion of the claim of the original patent, unless it is limited to a check-piece which is a bridge across the crotch, and, so limited, it is not infringed by a construction in which there is no such bridge.

(Before SHEPMAN, J., Southern District of New York, July 30th, 1887.)

SHEPMAN, J. This is a bill in equity to restrain the defendants from the alleged infringement of the second claim of re-issued letters patent, No. 9,616, applied for February 19th, 1881, and issued March 22d, 1881, to Rodmond Gibbons, for an improvement in pantaloons. The original patent was dated June 6th, 1876. A brief opinion, in which the bill was directed to be dismissed, was filed on May 14th, 1887. Upon the application of the plaintiff, the case was thereafter re-argued.

The case depends upon the proper construction of the second claim of the re-issued patent, and the construction turns upon the question whether this claim, if construed according to its literal meaning, is an enlargement of the single claim of the original letters patent. The plaintiff contends that the defendants infringe the patented invention, as it was originally described and claimed, and that there was no enlargement in the re-issue, but a more accurate statement of the invention which was claimed in the original patent. I therefore quote the substance of the original specification, so that

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the scope of the invention, as it was therein explained, may be seen: "My invention relates to a fastening for the crotch in the fly of pantaloons or similar garments, and it consists in bridging said crotch with a check-piece of cloth or other inelastic pliable material, as hereinafter fully described. The object of this invention is to prevent that tension at the crotch ordinarily produced either by continued use of the garment, or by any undue strain caused by the assumption by the wearer of any posture of the body, or by the removal of the garment, calculated to produce such an effect. The said improvement is applicable to all descriptions of pantaloons and garments of a similar character, its application to the garment adding greatly to its durability, by preventing the stretch of the cloth or stitching at the crotch. To enable persons skilled in the art of manufacturing the garments to which my invention is adaptable, I describe the same as follows, referring to the annexed drawing: Figure 1 is a view of the upper part of a pair of pantaloons, the front of the fly being turned down, so as to show the application of the improvement. Figs. 2 and 3 are, respectively, edge and face views, on an enlarged scale, of the fly, extended so as to show the attachment of the improvement. Fig. 4 shows a modification in construction. In figs. 1, 2, 3, the button strip of the fly is represented by *a*, and the buttons by *b*. The button-hole strip is indicated by *c*, and between the button holes it is stitched to the front of the garment in the ordinary way. The lower end of the button-hole strip does not extend down and fasten into the crotch *d*, as in the common construction of pantaloons, but bridges over the crotch, being securely stitched at *e* to the button strip *a*. The button-hole strip is also firmly secured at *f* below the lower button-hole. Fig. 4 shows, instead of the preferred construction exhibited in the other figures, a separate piece of cloth serving as the bridge or check-piece. This construction I deem to be within the scope of my invention. My improvement, as seen in the manner preferred by me, adds nothing to the cost of the garment, but rather cheapens its manufacture, by causing the

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attachment of the lower end of the button-hole strip to be made at a point more easily reached than that at which the connection is ordinarily made." The letter *d* is the crotch of the fly, and is at the crotch seam of the fly, and that seam is at the upper end of the seam which runs from the crotch, between the legs, upwards to the crotch of the fly. The letter *e* is at a point on the button strip, opposite to *f* upon the button-hole strip. The points *e* and *f*, as represented in the drawings, are so far removed from the crotch *d*, that there is a considerable open space under the line or strip which unites *e* and *f*. Each of the drawings, except No. 3, which is a plan view, shows an open space under the check-piece, and represents the check-piece as one side of a triangle, of which the other two sides are the right and left fly-fronts, converging to an apex at *d*.

The claim of the original patent was as follows: "In combination with the fly of pantaloons or similar garments, an elastic bridge or check-piece, arranged across the crotch thereof, substantially as described, whereby the strain at the crotch, when the fly is opened and spread apart, is received by said bridge or check-piece, instead of at the angle of the crotch itself."

The claims of the re-issued patent are as follows: "1. The combination, with the fly of a pair of pantaloons or other similar garments, of an inelastic bridge or check-piece arranged across the crotch of the fly substantially as described, to receive any strain occasioned by the spreading apart of the fly, and which would otherwise be exerted upon the crotch of the fly. 2. In combination with the fly portion of a pair of pantaloons or other similar garment, a check-piece made integral with the button-hole strip of the fly, and adapted to prevent any tension at the crotch *d* that might operate injuriously upon it."

The overalls which the defendants make do not have a bridge spanning an open space between the bridge and the point where the two sides of the fly meet, but the button-hole strip extends down to and is fastened at the crotch of the fly,

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and extends upwards and is secured to the button strip at the opposite side of said fly portion, being lapped behind the button strip. The overalls which the plaintiff now makes are of the same construction, except that the button-hole strip is lapped upon the front side of the button strip. This difference is not material. The patentee's licensees instructed their employees, in 1877, to bring the sewing of the crotch seam as close as possible up to the check-piece. The re-issue was applied for after the defendants began to make and sell the garments which are said to infringe.

The question which first presents itself is, whether, under a proper construction of the second claim of the re-issued patent, it should not be confined to a bridge or check-piece which is arranged across the fly-front, and bridges over the crotch of the fly, as shown in drawings 1, 2 and 4. The plaintiff insists that the actual invention of the patentee was a check-piece which received the force of any unusual strain upon the fly-front of overalls; that it is immaterial whether the strip is arranged as a bridge, with an open space underneath, or as a continuation of the button-hole strip, beyond the apex of the fly-opening, up to the button strip; that the open space has no operation; and that the original specification is, at least, consistent with the invention, as it is now used, and does not demand a limited and narrow construction, which would deprive the owners of the re-issued patent of the benefit which would otherwise result therefrom.

It is true that the idea of a strip of cloth which shall serve as a strengthening piece, or as a protection against a strain at the angle of the fly-front, is better developed by making the stay, when integral with the button-hole strip, a continuation of it around instead of across the apex of the fly-opening, and that a stay with an open space underneath it has apparently no advantage over the other method, except in economy of manufacture; and it is also true, that it is the duty of a Court to give letters patent for inventions a construction which shall sustain the just claims of the inventor, and shall relieve him from the injurious effect of an imperfect description of the

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invention which he had attempted to secure. If, however, the patentee has plainly pointed out, and, by his description, has established the boundaries of his invention, they cannot be enlarged by construction.

Recognizing this principle, and that the question is not what the patentee might have applied for, but what did he apply for and receive, the plaintiff says that the original patent, fairly construed, is not limited to a stay or check-piece which is a bridge having an open space under it.

The specification shows two methods of construction, one shown in figure 4, which is a separate piece of cloth and which is a bridge, while the button-hole strip is continued, as previously, to the crotch of the fly; the other, shown in the other figures, in which the button-hole strip becomes the bridge. The mooted point is, whether this strip is described as not extending down and fastening into the crotch, but, on the contrary, bridging over it, or whether it is described as not extending to the crotch and stopping there, as in the common construction, but extending beyond the angle and lapping into the button strip. The plaintiff insists, that, when the patentee said, in his specification, that the lower end of the button-hole strip does not extend down to and fasten into the crotch *d*, as in the common construction of pantaloons, he meant that the strip does not extend down into the crotch *d* and become incorporated with the fly-crotch seam and stop there, as in the common construction, but bridges over the crotch. It says, also, that in the common construction of fly-fronts, the lower end of the button-hole strip passed down into and stopped in the seam of the fly-crotch, whereas, in the patented improvement, the lower end of the strip is not thus carried down and incorporated with the fly-crotch seam, but is carried up on the other side and is attached to the button strip.

The natural construction of the specification is, that, when the patentee described a bridge which was arranged across the crotch of the fly, he meant a brace or stay which crossed and did not go around the apex of the fly-front. A

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different construction would not occur to the reader, until he learned the fact that such a construction had been suggested, or that it might be desirable. The idea which is naturally communicated by the word "bridge," and by the expression "bridge over," and "arranged across the crotch," is not that of a stay which is not a bridge, but is that of a stay which spans an open space. The employment of these terms by the patentee is not conclusive as to his meaning, but he used words unnaturally, if he intended to convey the idea that his check-piece went around and not across the apex of the fly opening.

But, turning to the sentence which is the centre of the discussion, it seems to me that the words, "the lower end of the button-hole strip does not extend down and fasten into the crotch *d*, as in the common construction of pantaloons, but bridges over the crotch," cannot fairly be interpreted to mean that the strip does not simply extend down and fasten into the crotch and stop there, as in the common construction, but bridges over, because the patentee described, in the concluding part of the sentence and of the paragraph, what he meant by the words "bridge over," by saying, "being securely stitched at *e* to the button strip *a*. The button-hole strip is also firmly secured at *f* below the lower button-hole." The inventor here declares that the button-hole strip is a bridge, inasmuch as it is securely stitched to the button strip at *e*, and is firmly secured on its own side at *f*. The old construction, by which it went down to the crotch, is abandoned, and it now crosses over the crotch at *f* and *e*.

Again, the drawings, which are a picture of the invention, show clearly what the patentee was trying to describe in words. They show a bridge and nothing but a bridge, and leave no doubt in my mind that the only invention for which the patentee applied for a patent was that of a check-piece, which, at the points *e* and *f*, below the lower button-hole, crossed over and connected the right and left fronts of the fly. Any other construction of the patent would not only disregard, but would contradict, the drawings.

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The invention of the original patent, as well as of the first claim of the re-issue, was a piece of inelastic, flexible material, arranged across the crotch, as a bridge, with its two ends secured to opposite sides of the fly-front, at points so far down the two sides, that, when a strain is brought thereon, the bridge will take the entire strain. The second claim of the re-issue was designed to include a check-piece which is not only integral with the button-hole strip, but which extends down to and is fastened at the crotch of the fly, and extends up upon the other side of the fly and is fastened to the button strip. This claim is invalid, unless it is limited to the bridge or check-piece of the original claim. With that construction, there is no infringement, and the bill is dismissed.

Causten Browne and William A. Jenner, for the plaintiff.

Gilbert M. Plympton, for the defendants.

HARRIET A. FULLER AND ANOTHER

vs.

THE METROPOLITAN LIFE INSURANCE COMPANY AND ANOTHER.
IN EQUITY.

After the plaintiff in a suit in equity had completed his proof, the defendant moved to dismiss the bill on the ground that the testimony failed to support any right to relief, and that it showed that there was not a sufficient amount in controversy to give the Court jurisdiction : *Held*, that the motion must be denied, and the case be tried in the regular way.

(Before LACOMBE, J., Southern District of New York, August 9th, 1887.)

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LACOMBE, J. Issue has been joined in this case by the filing of an answer, and the complainants have thereupon taken and completed their proof. The defendants now move to dismiss the bill "on the ground that the testimony wholly fails to support any right to relief in this Court." In other words, instead of waiting for the regular trial term and then disposing of the case in the usual manner, the defendants request that a species of semi-trial be now had, under an ordinary notice of motion. The Court is invited to consider the pleadings and proof as if the case were properly here for final disposition, and, if it fail to concur in the defendants' view of the law, they may, putting in such further testimony as they may be advised, proceed hereafter to try the case over again, at another term and probably before another Judge. The inconvenience of such a practice is manifest, and, as it is concededly novel, the defendants being unable to point to a single case, reported or unreported, in which it has been approved, this Court must decline to sanction its inauguration.

The defendants also claim that the Court has no jurisdiction, the amount in controversy not exceeding \$500. Inasmuch as its jurisdiction may be challenged at any time, they contend that the Court should now dismiss the bill on that ground. The defendants concede that, upon the bill alone, such a motion would not prevail, it being "possible to infer, from the bill standing alone, the existence of a state of facts by reason of which the amount in controversy might exceed \$500." But they contend, that, "looking through the testimony, with a view to discovering the amount in controversy," it becomes evident that there is a total failure on the part of the complainants to show a sufficient amount in controversy to sustain the jurisdiction. If, however, this is to be determined by a consideration of the proof as well as the pleadings, such determination is neither more nor less than a trial, and must, like other trials, be had at the regular term assigned for such business.

The preliminary objection raised by the complainants to

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the hearing of this motion is, therefore, sustained, and the motion is dismissed, for the reasons indicated above.

Levi A. Fuller, for the plaintiffs.

William H. Arnoux, for the defendants.

CHESTER W. WITTERS, RECEIVER OF THE FIRST NATIONAL
BANK OF ST. ALBANS

vs.

EDWARD A. SOWLES, EXECUTOR OF HIRAM BELLOWES, MARGARET B. SOWLES, AND OTHERS. IN EQUITY.

A bill in equity was brought in Vermont by the receiver of a national bank, to charge the assets of the estate of H., deceased, in the hands of E., as his executor, with an assessment on 430 shares of the capital stock of the bank, of the par value of \$100 each, made by the Comptroller of the Currency, equal to that amount. In 1864, 450 shares were owned by H., and stood in his name on the books of the bank. As to 50 shares of the 450, which a State tax collector had assumed to sell to E., in 1865, for the non-payment of State taxes: *Held*, that the sale was invalid, and that, on the facts of the case, the title to the 50 shares was in H., at the time of his death, they then standing in his name on the books of the bank.

H. died in 1876, still owning the 450 shares, and they then standing in his name on the books of the bank. He left a will making his wife, S., residuary legatee, and appointing E. his executor. In 1880, S. died, making E. her executor, and M., the wife of E., her residuary legatee. In 1881, under a decree of the proper Probate Court in Vermont, E., as executor of H., transferred to M., as such residuary legatee, on the books of the bank, 400 shares of the stock. They stood in her name on those books, when the bank failed, in April, 1884. On an issue as to whether M. knew of such transfer, and accepted it, *held*, that the testimony of the tax-listers of the town, as to the contents of the tax-inventories returned by M., was not admissible, nor could the town-clerk be required to produce the inventories, but that the evidence of other persons who saw their contents by her permission was admissible.

It was *held*, that she knew of and assented to the transfer, and that E., as exec-

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utor of H., was thereby divested of the stock, although the transfer was made to his wife.

Shares which E., as executor, transferred to a person, without consideration, and merely to enable him to become a director, must be regarded as still in the hands of the executor.

The executor having in his hands 80 shares subject to the assessment, the "estate and funds" in his hands were, under § 5,152 of the Revised Statutes, liable to pay \$3,000, with interest from the time it became due.

As to such of the liabilities of the bank to meet which the assessment was made as were not incurred during the life of H., the assets of his estate which have been paid to legatees under his will cannot be made liable for the assessment.

A debt due by the bank to the executor, for property of the estate which he delivered to it before it failed, cannot be set off by him against the liability for the assessment.

H. gave a legacy to M., trustee of B. At the time of the creation of the debts of the bank on account of which the assessment was made, there were funds of the estate in the hands of E. more than the amount of the assessment. E. paid the legacy after the bank failed: *Held*, that the lien created by § 5,152 of the Revised Statutes, on the "estate and funds" in the hands of the executor, followed those assets into the hands of B. and her trustee.

(Before WHEELER, J., Vermont, August 13th and 24th, 1887.)

WHEELER, J. This bill is brought to charge the assets of the estate of Hiram Bellows, in the hands of the defendant Sowles, as executor, and of the other defendants, as devisees and legatees, with an assessment on four hundred and thirty shares of the capital stock of the First National Bank of St. Albans, of the par value of one hundred dollars each, made by the Comptroller of the Currency, equal to that amount. At the time of the organization of the bank, in 1864, the testator took four hundred and fifty of its one thousand shares, and they were placed to his name on the books of the bank. In 1865 he refused to pay his taxes, and the collector advertised and assumed to sell fifty shares of this stock, which were bid off by the defendant Sowles, and paid for by money of the bank, for which he gave his note. The collector made no transfer of the stock on the books of the bank and it stood there the same afterwards as before. The validity of the tax was in suit between the testator and collector, and was finally decided against the testator in 1869. (*Bellows v. Weeks*,

41 Vt., 590.) To about that time Sowles received the dividends; afterwards the testator did. After the death of the testator, Sowles paid his note given for the stock to the bank.

It is claimed now that Sowles became the real owner of these fifty shares, and that the estate of the testator is not liable for the assessment upon them. The laws of the State for the distraint, keeping and sale of property for taxes did not, at that time, apply to property of this nature; and the attempted sale by the collector had no effect whatever upon the title. (*Barnes v. Hall*, 55 Vt., 420.) It is urged, however, that the acquiescence of the testator, shown by permitting Sowles to receive the dividends, made the sale good. However this might have been if Sowles had continued to receive the dividends after the contest was over, his yielding the right to them from that time to the testator shows, with plainness, that they both understood that the stock belonged to the testator, and that the receipt of dividends and payment for the stock were to be adjusted on that basis. Sowles had, since the death of the testator, undertaken to transfer more shares, as executor, than would remain to the testator without these, which shows the same thing. The real title to these shares appears, therefore, to have been in the testator, as the record title on the books of the bank was, at the time of his death.

He died October 18th, 1876. At that time he was still the owner of the four hundred and fifty shares, and they all stood in his name on the books of the bank. He left a will providing for various devises and bequests to the defendants other than Sowles, the executor, and made his wife, Susan B. Bellows, residuary legatee, and appointed the defendant Sowles executor, without requiring additional surety on his bond. Letters testamentary were granted accordingly, with additional surety for the payment of debts, as required by the laws of Vermont in such cases. (*Rev. Laws, sec. 2,067.*) Proceedings were taken for ascertaining the debts due from the estate, and the executor satisfied some of the legacies

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wholly, and others in part, out of the assets of the estate. Ten shares of the stock were transferred by the executor to Oscar A. Burton, and ten to George W. Foster, in a manner about which no question is now made. In 1880, Susan B. Bellows died, leaving a will making, so far as is material, the same devises and bequests as were made by the will of Hiram Bellows, except that their adopted daughter, Margaret B. Sowles, wife of Edward A. Sowles, executor of his will, was made residuary legatee in her will; and Edward A. Sowles was appointed executor of her will, with the same provision that additional surety should not be required on his bond, and that he should not be required to file any inventory of her estate. Letters testamentary were granted to him upon her estate accordingly, with additional surety upon his bond for the payment of debts, of which, however, there appears to have been none. Prior to or on March 11th, 1881, Sowles, as executor of each of the wills, appears to have applied to the Probate Court having jurisdiction, for an order for the settlement of his accounts, and for decrees of distribution under each will, whereupon notice was ordered to be given for that purpose, as required by law, for such settlement and decrees, on the 26th of the same month, and, notice having been given, the hearing was continued to the 30th. On that day, Margaret B. Sowles made an application in writing to that Court, signed by her as residuary legatee, wherein she requested the Court to "decree the amount of real and personal estate named in Hiram Bellows' will to E. A. Sowles, executor therein named, according to the terms of said will, without finding any definite amount in said executor's hands," and "to decree to the undersigned all the residuary portion of real and personal property named in Susan B. Bellows' will, or owned by her, without finding any definite amount in E. A. Sowles', executor's, hands, without any inventory or specification of items, or articles, or estate," and added, "and I accept the same without further specification, and exonerate said E. A. Sowles, as executor named in said wills, from further duty or liability in the

premises." And the Court made a decree in the case of Hiram Bellows' estate, reciting the notice and continuance, and the appearance of Sowles, executor, and representation by him that he had paid and had in his hands sufficient funds and estate to pay all the legacies, leaving to be decreed to the residuary legatee both real and personal estate, and that, after paying the bequests, naming them particularly, the residue was devised and bequeathed to Susan B. Bellows, who had deceased, and of whose will Edward A. Sowles was executor, and that Sowles, as executor of her will, had requested the Court to decree the residue to him, as such, without an inventory or specific amount found, and that the Court found, from the evidence, that the testator, Hiram Bellows, died seized of estate sufficient to pay all the debts and legacies, and leave a large amount of real and personal estate to be decreed to the residuary legatee, that he pay to each of the legatees named in the will the sum bequeathed in the manner specified, and that the real and personal estate therein devised to each was thereby decreed and assigned to each as in the will provided, and that the remainder, after paying the legacies, was thereby decreed to the estate of Susan B. Bellows, residuary legatee, of whose will Sowles was executor. And, after similar recitals respecting the estate of Susan B. Bellows, naming the bequests, and reciting the application in substance of Margaret B. Sowles, the Court decreed that the executor pay all the legacies, and decreed the residue to her. No appeal was taken from these decrees, and, on the next day after they were passed, Edward A. Sowles, as executor of the will of Hiram Bellows, transferred to Margaret B. Sowles, on the books of the bank, in accordance with the by-laws of the bank, four hundred shares of this stock, and that number of shares was credited to her on the stock ledger of the bank, and charged to the stock account of Hiram Bellows. These four hundred shares stood in her name on the books of the bank until its failure, April 7th, 1884.

The bill alleges, as to these four hundred shares, referring to this transfer previously therein set out, that such pretended

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transfer was made before the conditions of the decree had been complied with by paying the legatees the several sums bequeathed to them, of which sums the amount of about forty thousand dollars remained unpaid, with less than thirty thousand dollars of property in the hands of the executor, aside from this bank stock, from which to pay this balance; that she had no knowledge of the transfer until a long time after it was attempted to be made, and after the bank became insolvent; that she never accepted or assented to the transfer, nor received any certificate of the stock or dividends thereon. The answers of the executor, and of Margaret B. Sowles, who is made a defendant on account of the receipt of assets, admit these allegations, and she affirms their truth. The answers of the other defendants deny them. That the executor had not assets in his hands, aside from this bank stock, sufficient to pay the balance of the legacies, at the time of the transfer, sufficiently appears.

On the question whether Margaret B. Sowles knew of the transfer of the stock to her and accepted it or assented to it, the other defendants, or some of them, took the testimony of the listers of the town, to whom tax-payers are required to return a sworn inventory of their taxable property, as to the contents of her inventories, with reference to whether this stock was therein set down by her as her taxable property, after the transfer, and called upon the town clerk having custody of some of these inventories to produce them. Motion was made to suppress this testimony, and the offer to have the town clerk required to produce the inventories was objected to. The laws of the State provide that these inventories, after they are made by the tax-payers, shall be taken up by the listers, and on or before a certain day be lodged in the town clerk's office and there kept three years; that the town clerk shall allow certain prosecuting officers, the listers and selectmen, and the tax-payers their own, and no others, to examine them; that they shall be produced in Court, by the town clerk, on subpoena; and that their contents shall not be disclosed by any person having access to them, except as set

forth, and in the event of prosecution for breach of the provisions of that Act. (*Laws of 1882, No. 2, secs. 26, 27, 28.*) By section 858 Rev. Stat., U. S., the laws of the State are made the rules of decision in the Courts of the United States, except in some respects not material. This provision requires this Court to enforce that part of the statute of the State prohibiting disclosure. (*Conn. Mut. Life Ins. Co. v. Union Trust Co., 112 U. S., 250.*) The provision of that statute as to production of the inventories in Court, on subpoena, applies to production on prosecutions under that Act, as all other disclosure is prohibited. The listers should not be required or allowed to testify to their contents, nor the town clerk be required to produce them, except in such prosecutions. The motion to suppress is, therefore, granted, and that testimony not read, and the offer of production excluded.

The testimony of a witness who assisted her in making one of the inventories and saw its contents by her permission, before it was taken up by the listers, was taken as to what they were. Motion was made to suppress this. The State law imposes the obligation of secrecy only after the inventories are taken up by the listers, and has no application to exhibitions of them by the tax-payers before. This testimony is in the nature of proof of declarations and written statements by her, bearing upon her testimony when she testifies that she did not know that the stock was transferred to her. The motion to suppress is denied as to this and the testimony read and considered. It shows that this stock was put into her inventory as hers, by her. The grand lists on which the taxes are made out are open and public, and are in evidence. They show that this stock ceased to be set to the executor at the time of the transfer, and was set to her afterwards, and taxes assessed upon it were paid by, or for, her.

Hiram Bellows was president of the bank while he lived, after it was organized; she was the only child and resided in the same village. She must have known of the stock, and

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have known that a large part of the estate, which included that, was coming to her. She did not receive any certificate of the stock, and the dividends were paid to her husband, by being credited to him in his bank account. This latter circumstance is not very strong, as showing that she knew of the transfer, for they would probably have been credited in the same manner if the transfer had not been made. Taking all the circumstances together, it does not seem reasonable to suppose that she did not expect that this stock, which was then worth considerably more than its par value, would come to her with the residue that she asked for. She did not repudiate it; her husband was by the common law, which had not been changed in this State, entitled to the dividends, and had them. The conclusion that there was no want of knowledge and assent on her part necessary to the validity of the transfer is irresistible.

The orator insists, however, that the decrees were so unlawful and irregular as to furnish no foundation for the transfer; and that the transfer, without them, and without consideration, was inoperative to divest the executor of the stock. There is no question here between legatees and devisees about this stock, nor between any such and the creditors of the estate. Hiram Bellows had been dead several years, about seven, before the debts of the bank, for the payment of which this assessment is wanted, were contracted. These assets are, therefore, only liable for this assessment by virtue of section 5,152, which provides that executors shall not be personally holden, but the estates and funds in their hands shall be liable in like manner as the testator would be, if living. The question is, whether this stock was in the hands of the executor, within the meaning of this statute, at the time of the failure. The legatees had no title or right to the property except under the will. By the terms of the will, and the laws of the State, they had only the responsibility of the executor for security. The creditors could not be defeated in their rights, but they were provided for as the laws of the State required, by a bond with such sureties, and to

such an amount, as the Probate Court should require. (*Rev. Laws, sec. 2,067.*) The highest Court of the State, whose construction of these proceedings is binding, has held, in respect to this very decree, that, in an action by one of the unpaid legatees, for the legacy, the question whether debts and expenses had been paid was not a proper subject of inquiry, but was *res adjudicata*, and that the decree laid a foundation for the recovery of the legacy. (*Weeks v. Sowles, 58 Vt., 696.*) The executor took the risk of having assets sufficient for all when he represented and showed to the Court that he had them. This showing gave the Court jurisdiction to decide that he had them. He elected to treat this stock as a part of the residuum; whether it was or not is not now open.

It is suggested that no inventory had been filed, as directed by the statute, and that there was no property before the Court for the decree to operate upon. An inventory does not appear to be necessary to bring the assets of a deceased person within the jurisdiction of the Probate Court for administration. If none is filed, the Court may proceed to ascertain and decree the assets on proof, as was done, on notice to all, and proof to the satisfaction of the Court, furnished by the executor. (*Holmes v. Bridgman, 37 Vt., 28; Weeks v. Sowles, 58 Vt., 696.*) The decree did not separate this stock from the rest of the assets, but it settled conclusively the rights of all others to the estate, as between them and the executor, and left him with control of the whole, without liability to further account, or otherwise on his bond. His election to treat this stock as a part of the residue, therefore, made it such, when carried out.

The relation of husband and wife between the executor and residuary legatee is put forward as preventing the validity of the transfer, to change this stock from his hands to hers. They are one person in law, as by the common law, in this State, for most purposes, and a sale by him to her of his own property would be of no validity, both on that account and by reason of her disability to make contracts. But this

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was not a sale of the stock to her, and involved the making of no contract. He did not own the stock, and did not transfer it as his own, but by virtue of the authority given by the will to him, as executor. As early as A. D. 1495, it was adjudged that a feme covert executrix could make sale of lands to her husband, and it was a good bargain. (*Year Book*, 10 *H. VII*, 20; *Brooke's Abr., Executors*, 175.) And in *Coke upon Littleton*, it is laid down, that, "If cestuy que use had devised that his wife should sell his land, and made her executrix, and dyed, and she tooke another husband, she might sell the land to her husband, for she did it *in auter droit* and her husband should be in by the devisor." (112 a, *Hargrave's note*, 143; *Plowden*, 414.) This appears to be good law now. (*Gridley v. Wynant*, 23 *How.*, 500; *Gridley v. Westbrook., Id.*, 503.) The reasons are equally strong why a conveyance by a husband executor to his wife should be good. The executor separated his stock from the rest of the estate in his hands, and made it a part of the residue by the transfer, which was a mere delivery, and it became hers by title from the testator. From that time it appears to have ceased to be in his hands as executor, and was in hers as legatee.

On the 5th day of September, 1882, the executor transferred ten shares of the stock to Bennett C. Hall. The bill alleges that this transfer was without consideration, and in mere trust for the benefit of the executor, and for the purpose of enabling Hall to become a director. The answer of the executor in substance admits this, and there is in reality no question made but that the allegations are true. These ten shares, upon these facts, remained in the hands of the executor for the purposes of this assessment. (*National Bank v. Case*, 99 *U. S.*, 628; *Witters v. Sowles*, 25 *Fed. Rep.*, 168.)

These considerations leave thirty shares in the hands of the executor, subject to the assessment, and for which the "estates and funds" in his hands are liable. (*Rev. Stat.*, sec. 5,152.) The assessment amounts to three thousand dollars,

with interest from September 10th, 1884, the time at which it became due.

The receiver claims that the assets of the estate which have been paid, delivered, or otherwise have gone to the devisees or legatee, in satisfaction of their legacies and devises, are still liable for this assessment, and that they are chargeable for the amount received up to the amount of the assessment. The devisees and legatees who have received the assets insist that only those which were left in the hands of the executor are liable. The shareholders are liable only by force of the statute, which declares that they shall be held individually responsible for all contracts, debts and engagements of the bank, to the extent of the par value of their stock. (*Rev. Stat., sec. 5,151.*) The liability of the shareholder attaches when the contracts are made, debts are created, or engagements are entered into, by the bank, and it is an original liability made by the law a part of them. (*Hobart v. Johnson*, 19 *Blatchf. C. C. R.*, 359; *Richmond v. Irons*, 121 *U. S.*, 27.) The testator did not become liable on account of the stock for such debts, contracts and engagements as the bank became liable for in his lifetime. The ownership of the stock would not, of itself, create any, not even a contingent liability; but ownership of the stock and creation of a liability by the bank together would create a liability of the shareholder, contingent upon the discharge by the bank of its liability. Both are necessary to the creation of a contingent claim against a shareholder or his estate. If such a claim had arisen against the testator, it could be enforced against the legatees and devisees, to the extent to which they have received assets; not by bringing the assets back into the hands of the executor, but by proceeding directly against those who have received them. (*Rev. Laws, secs. 2,209, 2,211, 2,214.*) None of the liabilities of the bank to meet which this assessment is made, are shown or claimed to have been incurred during the life of the testator. Therefore, this is not a contingent claim for which the assets can be pursued under the laws of the State relating to such

claims. The statute of the United States provides that an executor shall not be personally subject to any liability as a stockholder, but that the estate and funds in his hands shall be liable in like manner and to the same extent that the testator would be, if living. (*Rev. Stat., sec. 5,152.*) So far as appears or is claimed, all the assets of the estate in the hands of those sought to be charged for them were received before any of the liabilities of the bank now in question were created, and most of them several years before. If the testator had lived, and had disposed of his property as it had been disposed of under his will, he would have been personally liable to this assessment, but none of this property could have been reached to satisfy it. The meaning of this statute seems to be, that such estates and funds as an executor or administrator has in his hands at the time when the liability attaches are liable in like manner as the testator would be if living at that time, and having in his hands the stock and other property as the executor had it in his hands; and not that they are holden as the testator would have been if the liability had attached in his lifetime. This case is very different in this respect from *Davis v. Weed*, (44 Conn., 569.) There the liability attached before letters testamentary were granted, if not before the death of the testator, and, therefore, it was impressed upon all the assets, and would follow them into the hands of the devisees and legatees. And it is understood that there the executor or administrator can recall property from heirs, devisees or legatees, if necessary to meet a liability of the estate arising, or appearing, after distribution. Therefore, the assets were followed and reached, in that case, through the administrator. But that does not show that these assets can be reached through the executor, and are, therefore, in any sense, in his hands, so as to be liable to the assessment. The statute appears to contemplate the stockholders as they are at the time of the incurring of the liability, and to hold them responsible equally and ratably, and not one for another. (*Rev. Stat., sec. 5,151; United States v. Knox*, 102 U. S., 422.) Each stands by himself as he is at

that time, solvent or insolvent; and, if he is an executor or administrator, the estate then in his hands, adequate or inadequate, and that only, is holden. When these devisees and legatees received their shares of the estate of the testator, the bank was apparently, and, in fact, so far as is shown or claimed, amply solvent, and there was nothing in that direction then to prevent them from taking a clear title; and the law does not appear to be such as to make what happened afterwards, in which they had no part, disturb their title. The orator has, therefore, no claim for relief against these devisees and legatees, and the bill must be dismissed as to them.

The executor appears to have delivered to the bank, while its failure was impending, stocks and securities belonging to the estate, to an amount much larger than the amount of these shares, which were disposed of by the bank in payment and security of claims against it. He sets up, in his answer, that this was done upon an understanding that the property should be restored by the bank if it survived, and applied on an assessment if it failed and one should be made. And he now claims, that so much of this property or its proceeds as is necessary should be applied upon this assessment, and bar further recovery. He claims, upon the evidence, that this understanding was had with the bank examiner, as well as with the officers of the bank. This assessment is for the purpose of paying those who were creditors of the bank at the time of its failure. That property went to pay others not creditors at the time of the failure, so far as it did pay them. The delivery of the property may have created a liability of the bank; if so, the assessment upon this and the rest of the stock would go ratably upon that and the other liabilities, if proved and established. A set-off cannot be made without depriving others of their ratable proportion. Besides this, the claims are not in any sense mutual. The claim of the executor, if he has any, is against the bank. The assessment never was due to the bank and does not belong to it. The assessment belongs to the

Witters v. Sowles.

creditors of the bank, and is recoverable by the receiver only for the purpose of ratable distribution among them. (*Delano v. Butler*, 118 U. S., 634.) This claim is, therefore, no answer to the claim for the assessment, whether this understanding was had or not, or with the bank examiner, or only with others. There was no receiver, and the examiner did not, and probably did not assume to, represent the creditors.

The bill is not framed to charge Margaret B. Sowles with the assessment as owner of the stock, but only to charge the assets in her hands as legatee; and it is said by Mr. Justice Swayne, in *Kennedy v. Gibson*, (8 Wall., 498,) in the opinion of the Court, respecting such assessments: "Where the whole amount is sought to be recovered, the proceeding must be at law." The bill must be dismissed as to her, but without prejudice to the right to recover against her as holder of the stock. As she has not been joined in her defence by next friend, but only with her husband, who is held chargeable in another capacity, the dismissal must be without costs to her.

Let there be a decree for the orator, against the defendant Edward A. Sowles, that he pay to the orator, out of the assets of the estate of Hiram Bellows in his hands, the sum of \$3,000, with interest from September 10th, 1884, to the time of entering the decree, together with the costs of this suit, within ten days from the entry of the decree; and that, in default of such payment, execution against such assets issue; and dismissing the bill as to Margaret B. Sowles, without costs, and without prejudice, and as to the other defendants, with costs.

Chester W. Witters and *Guy C. Noble*, for the orator.

Edward A. Sowles and *Kittredge Haskins*, for Edward A. Sowles and Margaret B. Sowles.

Edward A. Sowles, for Susan B. Sowles.

W. D. Wilson, for town of Fairfax.

Albert P. Cross, for town of St. Albans and defendants Atwood.

On a rehearing, the following opinion was delivered :

WHEELER, J. Since the filing of the decision and decretal order in this cause, and before entry or signature of any decree pursuant thereto, on motion of the orator, further hearing has been had, as to charging the assets of the estate of Hiram Bellows which have passed to Margaret B. Sowles, trustee of Susan B. Sowles, with the assessment upon thirty shares of stock of the national bank of which the orator is receiver, still held by the executor. At this stage of the case corrections of any oversight or error can be made on suggestion of any party or by the Court of its own motion. Such correction is not the alteration of a decree, for as yet there is no decree; but is a mere change of the directions for a decree, if necessary, which may always be done until the directions, as finally settled, are carried into the decree itself, and the decree is entered.

On re-examination of the case on this point, which was not made on the argument in chief, it fully appears, that, at the time of the creation of the debts of the bank, on account of which this assessment is made necessary, there were estates and funds in the hands of the executor, which were of the testator, to an amount several times greater than this assessment upon this stock. It is said, in argument, that the title to these assets had before that time vested in the legatees under the decrees of distribution. None of these assets were specifically bequeathed or distributed to this legatee. A legacy of \$25,000 was bequeathed to her by the testator. The decrees were made on representation by the executor that he had more than sufficient assets in his hands to satisfy all debts, legacies and charges. Thereupon he was decreed to pay this legacy. He had not done so at the time of the

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failure of the bank, which, of course, was after the accruing of these liabilities of the bank. He has since assumed to pay it out of these assets, by delivering them to the trustee, at agreed prices, in satisfaction of the legacy. The statutes of the United States provide that the estates and funds in the hands of an executor shall be holden as the testator would have been holden. This statute fixed the lien upon these assets, and it would follow them wherever they should go, in any subsequent division or distribution of them. The delivery of them by the executor subsequent to this did not remove them away from the lien, but left them in the hands of the trustee of the legatee, or in the hands of the legatee, if they had reached her, subject to the lien, as before. The statutes of the State make heirs, devisees and legatees, who have received assets of an estate liable for debts, chargeable for the debts to the extent of the assets received. (*Rev. Laws Vt., sec. 2,209.*) This is not a debt of the testator, but is a liability of the estates and funds in the hands of the executor, which attaches to them in the same manner that a debt of the testator would, if contracted when he had the same assets. They may be followed, therefore, in the same manner.

It is said that some of these assets are real estate, and that such estate goes to the residuary, and not to the pecuniary, legatee, or the executor. But the statutes of the State leave real estate in the hands of the executor, if needed to pay debts or legacies, (*Rev. Laws, sec. 2,137 ;*) and the statutes of the United States make no distinction in the kinds of estates and funds which are left in his hands, but make all that are left liable. (*Rev. Stat. U. S., sec. 5,152.*) If this was not so, a large part of the assets so delivered by the executor were strictly personalty, and a still larger part redeemable leases, reserving annual rent, which are in the nature of mortgages, and go to the executor and not to the heir. It is not disputable, and conceded, that the amount of the latter is greater than this liability. The legatee and trustee are chargeable, therefore, with the amount of this assessment.

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So much of the decretal order heretofore entered herein as directs that the bill be dismissed as to Susan B. Sowles, and Margaret B. Sowles, trustee for her, is hereby vacated. And there is added thereto, that the decree provide, that, in default of payment by the defendant Edward A. Sowles, executor, payment be made by the defendants Susan B. Sowles, or Margaret B. Sowles, her trustee, within ten days thereafter, and, in default of such payment, that execution issue against the assets of the estate of Hiram Bellows, in the hands of Edward A. Sowles, executor, and, for want thereof, against such assets in the hands of Margaret B. Sowles, trustee of Susan B. Sowles, and, for want thereof, against the goods, chattels and estate of Susan B. Sowles, in her own hands, or in the hands of Margaret B. Sowles, trustee.

Chester W. Witters, for the orator.

Edward A. Sowles and *Kittredge Haskins*, for Susan B. Sowles, and Margaret B. Sowles, trustee.

THE EDWARD BARR COMPANY, LIMITED

v8.

THE NEW YORK AND NEW HAVEN AUTOMATIC SPRINKLER
COMPANY. IN EQUITY.

In order to warrant the granting of a preliminary injunction to restrain the infringement of letters patent, it is necessary there should be a special presumption that the patent is valid, and that can arise only on proof of an adjudication in favor of such validity, or of acquiescence by the public, or of the success of the patent in an interference in the Patent Office.

The Edward Barr Co., Ltd. v. The N. Y. and N. H. Automatic Sprinkler Co.

In the case of an interference, the presumption arises only against a party to it or his privy.

(Before LACOMBE, J., Southern District of New York, August 18th, 1887.)

LACOMBE, J. This is an application for a preliminary injunction to restrain the defendant from infringing two patents owned, in whole or in part, by the complainant. Both of these patents cover improvements in apparatus for the automatic extinguishment of fires. The first patent, No. 307,456, was granted November 4th, 1884, to Frank Gray, and it is contended that one claim of such patent is infringed. The other patent, No. 357,987, was granted February 15th, 1887, to William S. Gray, jointly with Frank Gray, and it is contended that it is infringed in its entirety.

Before a preliminary injunction to restrain infringement of a patent is granted there must be a special presumption that the patent is valid. That presumption does not arise from the presentation of the unattended letters patent. It may be shown, however, by proof that the patent has been suitably adjudicated in a Federal Court and there held valid; or that its validity has been suitably acquiesced in by the public; or that the patent has successfully undergone an interference in the Patent Office. When either of these facts appears the validity of the patent will be presumed. (*Walker on Patents*, § 665, and cases cited.)

As to the first of these patents, (No. 307,456, to Frank Gray,) that for an independent pipe, there has been neither adjudication nor interference. The only proof of acquiescence is a general allegation in the bill. No facts bearing on this point are disclosed. Nearly three years have elapsed since its issue, but to what extent specimens of the patented article were made and sold by the patentees, or under their license, or, indeed, whether any one ever made or used such apparatus, does not appear. The complainant, therefore, has not made out such *prima facie* case as entitles it to a preliminary injunction under the first patent.

As to the second patent there has been no adjudication,

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and the time since it was issued is so short, that, without exceptional circumstances (which are not shown,) it cannot be claimed that there has been general acquiescence. The complainant relies on a successful interference in the Patent Office, to which one Bishop was a party. That such a successful interference is sufficient ground for presuming the validity of a patent is abundantly settled by authority, with one restriction, namely, that such presumption arises only against the parties to the interference and their privies. In *Greenwood v. Bracher*, (1 *Fed. Rep.*, 856,) *Smith v. Halkyard*, (16 *Fed. Rep.*, 414,) and *Pentlarge v. Beeston*, (14 *Blatchf. C. C. R.*, 352,) the defendants had been parties to the interference. In *Holliday v. Pickhardt*, (12 *Fed. Rep.*, 147,) the defendants were the representatives of Caro, who was a party to the interference and whose product was before the Patent Office. In *Peck, dec., Co. v. Lindsay*, (2 *Fed. Rep.*, 688,) the interfering application was put in by one Webb, "patent to be issued to his assignees, Landers, Frary and Clark," who were the defendants' vendors. In *Celluloid Mfg. Co. v. Chrolithian Co.*, (24 *Fed. Rep.*, 275,) the plaintiff was the assignee of Sanborn, to whom the patent was granted after an interference declared between him and one Kanouse, "an applicant for a patent for the same invention, for the benefit and at the expense of the defendants," who "were heard upon the questions involved in the interference case, and were privies to the judgment upon it."

No authority is shown for extending the principle invoked to cover litigants who do not manufacture the alleged infringing article under the grant, assignment or permit of the interferer, and who did not, either personally or through the interferer, have the opportunity to be heard in the Patent Office. In the case at bar the defendants use, as part of their apparatus, a particular piece of mechanism invented and patented by Bishop, but concededly it has nothing to do with either patent sued on and is no infringement. Bishop is also in the defendant's employ, though in what capacity does

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not appear; certainly he is not an officer of the company; and an affidavit sworn to by him has been read by the defendant on this motion. Those facts, however, do not make them his privies. They do not claim the right to manufacture under any grant or permission from him, nor is there anything to show such a community of interest as would warrant the inference that his interference in effect secured to the defendant its opportunity to be heard in the Patent Office.

Motion denied.

Philip R. Voorhees, for the plaintiff.

Wetmore & Jenner, for the defendant.

APPENDIX.

I.

RULES.

Rule of the Circuit Court of the United States for the Southern District of New York, adopted since the publication of the twenty-third volume of these Reports.

NOVEMBER 25th, 1887.

ORDERED, that notes of issue for the motion calendar of this Court shall be left with the clerk thereof by one o'clock p. m. on the day preceding the motion day.

INDEX.

A

ACTION.

1. The defendants, not in the employ of the plaintiff, a corporation and a common carrier, procured its workmen to quit work in a body, with the design to injure it; and afterwards, for the purpose of compelling it to pay such wages as they might demand, declared a boycott of its business, and attempted to prevent persons from dealing with it: *Held*, that such acts were illegal and actionable and the defendants were liable to arrest. *Old Dominion Steamship Co. v. McKenna*, 244

ADMIRALTY.

1. In a suit *in rem*, in Admiralty, against a vessel to recover for personal injuries suffered by a laborer, while working on the vessel, through negligence for which the vessel is liable, if the plaintiff was guilty of contributory negligence, the damages will be divided. *The Maz Morris*, 142
2. In suit in Admiralty, *in rem*, against two vessels, to recover for damages from a collision, the District Court dismissed the libel as to one vessel and awarded full damages against the other. The latter appealed, and the libellants, after appealing, abandoned their appeal, but they were heard in the Circuit Court, which reversed the decree of the District Court, and held both vessels to have been in fault: *Held*, that, although the libellants did not appeal, they could have a decree in the Circuit Court against the vessel as to which the libel was dismissed by the Dis-

trict Court, because the appeal on which the case was heard suspended the operation of the decree below, and brought up the whole case for a new hearing. *The Galileo*, 151

See COLLISION, 1 to 3.

AGENT.

See PRINCIPAL AND AGENT.

AGREEMENT.

See CONTRACT.
EQUITY, 1.

ALABAMA.

See BILL OF EXCHANGE.

ARREST.

See ACTION.

ASSIGNEE.

See UNITED STATES.

ATTACHMENT.

1. Money in the hands of the marshal of the United States in Vermont, collected by him on an execution issued out of the Circuit Court of the United States in favor of a defendant, cannot be attached by trustee process in a suit against such defendant. *Clarke v. Shaw*, 97
2. Under sections 644, 648, 649 and 655 of the Code of Civil Procedure of New York, the sheriff must levy an

attachment upon policies of life insurance in which the debtor has an interest, by taking them into his actual custody. But in regard to his interest in the liability of a benevolent association to collect money from its members and pay it to him, not evidenced by any other instrument than a certificate of membership, it is sufficient for the sheriff to serve the attachment by leaving a certified copy of the warrant and notice with the association. *Hankinson v. Page*, 422

See LIEN.

ATTORNEY.

1. The attorney for a defendant cannot be compelled, by a *subpoena duces tecum*, to produce a letter written to his client, which the attorney received from the client as a paper material to his defence, it not being shown that a *subpoena duces tecum* could not be served on the client. *Arnold v. Chesebrough*, 49
2. An attorney was employed to bring a suit to recover \$5,000, on an agreement that he should be paid 10 per cent. of the collections as his compensation. The suit having been brought, a motion by the plaintiff to substitute a new attorney was granted on the plaintiff's filing a stipulation, and the entering of an order, declaring the lien of the former attorney *pro rata* on any moneys or judgment to be recovered, to the extent to be thereafter determined, if the plaintiffs should succeed, notice of the lien to be given to the defendant. *Ronald v. Mutual Reserve Fund Life Association*, 221

See PATENT, 8.

AUCTIONEER.

See SHERIFF, 2.

B

BANK.

See NATIONAL BANK.

BANKRUPTCY.

1. The holder of a bill of exchange, with knowledge of the insolvency of the drawer, procured the bill to be accepted by the drawee, who did not know of such insolvency. The acceptor had in his hands property of the drawer, and paid the bill. The drawer being adjudged a bankrupt, the person to whom the bill was paid proved his claim on other demands, and the assignee in bankruptcy moved to expunge them on the ground that an illegal preference had been received by the payment of the bill: *Held*, that there was no illegal preference. *In re Baxter*, 122

2. The fund in the hands of the assignee cannot be charged with a counsel fee in favor of the person successfully resisting the motion to expunge. *id.*

See UNITED STATES.

BILL OF EXCHANGE.

1. Under the law of Alabama a bill of exchange drawn on a person in Alabama and accepted there is a negotiable instrument, and is governed by commercial law, within the meaning of section 2094 of the Code of Alabama, of 1876, although it is not, by its terms, payable at a certain place of payment therein designated. *Gwathmay v. Olisby*, 398
2. Being such, although its acceptance was obtained by fraud and without consideration, a person who subsequently took it, in good faith, and for value, without actual notice of any defence to it, or of any equities existing between the drawer and the payee, in part payment of an antecedent indebtedness of the drawer, can recover on it against the acceptor. *id.*

BILL OF LADING.

See DEMURRAGE.

BILL OF PARTICULARS.

See PRACTICE, 8.

BOND.

1. A bond given to the United States to obtain a concession from the Commissioner of Internal Revenue as to keeping on hand internal revenue stamps printed from a die furnished by a manufacturer of matches, under § 8,423 of the Revised Statutes, as a matter of favor and not of right, was a valid bond. *Diamond Match Co. v. United States*, 442

See MUNICIPAL BOND.

BOYCOTT.

See ACTION.

C

CARRIER.

See NEGLIGENCE, 2, 3.

CHARTER-PARTY.

1. The charter-party of a sailing vessel carrying a cargo of oranges and lemons from Messina to New York contained this clause: "Being essentially necessary for the good preservation of the cargo, it is especially agreed that the vessel, on leaving Gibraltar, shall go to the northward of the Western Islands, and keep north of that latitude, unless absolutely forced south by stress of weather, in which case the vessel's log-book shall furnish evidence of that fact." The log-book, during the time the vessel was sailing on the port tack, for 40 hours, after leaving Gibraltar, on a course which would take her to the northward of the Western Islands, contained these entries: "the vessel laboring greatly and the sea breaking on deck;" "vessel laboring heavily from high sea." She then changed to the starboard tack, the log-book saying: "on account of heavy sea take starboard tack;" "obliged from heavy sea to keep starboard tack, in order not to have the vessel suffer much." After holding the starboard tack for 28 hours, she went on the port tack

for 6 hours, and then changed to the starboard tack, the log-book saying, "the vessel suffering much on port tack." The evidence showed that relief was often given by change of tack, under the circumstances stated, and there was nothing to cast suspicion on the good faith of the master. The vessel passed to the south of the Western Islands: *Held*,

(1.) Suffering from heavy labor in high seas was such "stress of weather" as the charter-party meant;

(2.) The log-book furnished evidence that the vessel was "absolutely forced south by stress of weather;"

(3.) It was not her duty, when she had passed the westerly longitude of the Western Islands, to attempt to go to the northward;

(4.) There was no breach of the charter-party and the whole charter money was earned. *The Maria Luigia*, 1

CIRCUIT COURT.

See JURISDICTION, 2, 6.

COLLECTOR.

1. The collector of a port has no right to exact from an importer a fee to be paid to a merchant appraiser for his services under § 2,980 of the Revised Statutes. *Hedden v. Iselin*, 455
2. But, where the collector exacts such a fee under the direction of the Secretary of the Treasury, he is not liable to the penalty imposed by section 2,686 of the Revised Statutes. *id.*

COLLISION.

1. A steamer collided with a bark towed by a tug on a hawser. The courses of the steamer and the tug were crossing, and involved risk of collision, and the tug had the steamer on her own starboard side. The tug attempted to cross ahead of the steamer, and, although she received no response to signals by her steam-whistle, she kept on and did not stop or reverse. The steamer ported, and did not starboard, when it was

plainly seen by those in charge of her, that the tug and the bark were crossing her course, so as to involve risk of collision; and she did not soon enough stop and reverse: *Held*, that both the steamer and the tug were in fault. *The Frisia*, 40

2. A decree was made against the steamer and the tug, and their respective stipulators severally, each for one-half of the entire damages to the bark, and of the proper interest thereon, and of the costs of the libellants in the District and Circuit Courts, so far as the stipulated value of the vessel should extend; any balance of such one-half, over and above such stipulated value of either vessel, or which the libellants should be unable to collect or enforce, to be paid by the other vessel or her stipulators, to the extent of the stipulated value thereof beyond the moiety due from said vessel. *id.*
3. The District Court having dismissed the libel as to the steamer, and awarded damages against the tug, in the ascertainment of which the claimant of the steamer took no part, this Court ordered a new reference as to damages, to be conducted on notice to all three of the parties. *id.*
4. The defence of inevitable accident, set up as the cause of a collision, implies that the accident was not avoidable by the exercise of all reasonable precautions adequate to the emergency, and of that degree of care and vigilance which would have been adopted by prudent navigators under the same circumstances. *The Nacoochee*, 99
5. In a collision in the Atlantic Ocean, between a steamer and a schooner, the steamer was held in fault for going in a fog at a speed of about 7 knots an hour; and the schooner for having on deck but two men, one at the wheel and the other acting as a lookout and blowing the fog horn. *id.*
6. The District Court having divided the damages, and both parties having appealed, and the decree being affirmed by the Circuit Court, the costs

of that Court were not awarded to either party. *id.*

7. In a collision between a steamship and a bark towed on a hawser by a steam-tug, the steamship was held in fault for not passing on the port side of the tug and bark, after having given one blast of her steam-whistle and been answered by the tug by one blast. The tug was held in fault for not slowing or stopping and casting off the hawser of the tow, on seeing the risk of collision. The bark was held to be without fault. *The Galileo*, 111

COMMISSIONER.

See UNITED STATES COMMISSIONER.

COMMON CARRIER.

See NEGLIGENCE, 2, 3.

CONTRACT.

1. A person who, as a broker and commission merchant, violates a contract to purchase, hold and carry grain for another, by selling the grain contrary to the contract, cannot recover his commissions and advances. *Ball v. Clark*, 81

See CORPORATION.
EQUITY, 1.

COPYRIGHT.

1. A person who makes an electrotpe plate which is a copy of an "important, substantial and material part" of the plaintiff's copyrighted illustrated newspaper, and sells the plate to the proprietor of another illustrated newspaper, knowing that it will be used by him in publishing the latter, infringes the plaintiff's copyright. *Harper v. Shoppell*, 149
2. In a suit in equity for the infringement of a copyright for a musical composition, the plaintiff testified that he deposited in the mail two copies of the work, and received an acknowledgment of the receipt of

them by the full title of the work, dated two days after its entry, over the official signature of the Librarian of Congress: *Held*, that it was sufficiently shown that the copies were addressed to the Librarian. *Blume v. Spear*, 328

8. The statute held to have been complied with in regard to inserting the required statement of copyright on some visible portion of the composition or of the substance on which it was mounted. *id.*
4. Novelty was not successfully attacked and infringement was proved. *id.*
5. A person who compiles a "society" directory infringes the copyright of a prior "society" directory, if he uses the prior work, though only to a limited extent, to save himself the trouble of making an independent selection or classification of the persons whose names appear in his directory. *List Publishing Co. v. Keller*, 339
6. The existence of the same errors in the two publications affords one of the surest tests of copying. *id.*
7. A copyright of a label registered in the Patent Office, in 1883, numbered 3,693, under the Act of June 18th, 1874, (18 U. S. Stat. at Large, 78,) is abandoned, so that no action for infringement can be maintained, if the only notice of copyright given, by inscription on the labels, is by printing on their face the word and figures, "Registered, 3,693, 1883." *Higgins v. Keuffel*, 351
8. A copyright for a painting is infringed by a lithographic print thereof, and the owner of the copyright does not, by publishing lithographic copies of the painting, lose his right to restrain others from copying those copies. *Schumacher v. Schwencke*, 369

CORPORATION.

1. The directors of a private corporation in Vermont, who assent to the creation by the corporation of indebted-

ness exceeding in amount two-thirds of its capital stock actually paid in, are, by section 3,291 of the Revised Laws of Vermont, made personally liable for the excess; and section 1,067 provides, that actions founded on a contract, express or implied, may be commenced by trustee process: *Held*, that an action founded on such liability is an action founded on a contract, and may be commenced by trustee process. *Field v. Haines*, 160

See MORTGAGE, 1.

COSTS.

1. A docket fee of \$20 is not taxable in favor of a defendant in a suit in equity which is dismissed for want of prosecution. *Wigton v. Brainerd*, 18
2. The plaintiff, in necessary preparation for trial, took depositions *de bene esse* which were not used at the trial, because the defendant produced the witnesses: *Held*, that the expense of taking the depositions was taxable by the plaintiff, as part of his costs. *Hunter v. International Railway Improvement Co.*, 159
3. Where a witness residing in Buffalo attends the trial of a cause in the Southern District of New York, his travelling fees can be taxed only to the extent of 100 miles. *Buffalo Ins. Co. v. Providence & Stonington S. S. Co.*, 172
4. Where a cause is removed from a State Court after service of notice of trial, and the plaintiff has a judgment in this Court, he is not entitled to tax, as costs, the costs prescribed by the State statute before the removal. *Chadbourn v. German-American Ins. Co.*, 539

See BANKRUPTCY, 2.
COLLISION, 2, 6.
PATENT, 20.
PRACTICE, 5.

COUNSEL FEE.

See BANKRUPTCY, 2.

CUSTOMS.

See DUTIES.

D

DAMAGES.

1. The payment of a sum of money as damages for bad workmanship in repairing a boiler, held not to extend to damages for a distinct piece of bad workmanship done at the same time on the same boiler, which latter damages were not known or contemplated at the time. *Scully v. Delamater*, 78
2. In an action at law, in New York, to recover damages for injury to the use of a building as a bank, in the city of New York, by the erection of the track and station house of an elevated railroad in front of it, after evidence of damage to the plaintiff to the time of trial had been admitted without objection, it was held proper, under the special circumstances of the case, to submit to the jury the right to recover to that time. *Fifth Nat. Bank v. N. Y. Elevated R. R. Co.*, 89
3. It was proper to submit to the jury the question as to how much less the use of that part of the building which was occupied by the bank for banking purposes was worth on account of the defendant's structure. *id.*
4. It was not error to exclude evidence to show, that if the buildings on the opposite side of the street were raised as high as the law would allow, the defendant's structure would be in their shadow during all the time the plaintiff's building is in its shadow, so that the defendant's structure would not intercept any direct rays of the sun towards the plaintiff's building. *id.*
5. It was not error to exclude evidence to show that the general value of the plaintiff's building was increased by the building of the defendant's road. *id.*
6. The principles laid down in *Story v.*

New York Elevated Railroad Co., (90 N. Y., 122,) applied. *id.*

See ADMIRALTY, 1.

COLLISION, 2, 3, 6.

EQUITY, 1.

PATENT, 10, 11, 18.

DEED.

1. In this case a deed of land from the plaintiff to the defendant was set aside for undue influence, and because of the confidential relations between the parties. *Jane v. Willis*, 198

DEMURRAGE.

1. In this case the consignee of a cargo was held liable, under a bill of lading, for demurrage for detaining the vessel, where she was without fault. *Manson v. New York, &c., R. R. Co.*, 448

DEMURRER.

See PLEADING, 1.

DEPOSITION.

See COSTS, 2.

DIRECTOR.

See CORPORATION.

NATIONAL BANK, 1 to 5.

DUTIES.

1. Goods which were dutiable prior to the Act of March 3d, 1883, (22 U. S. Stat. at Large, 488,) and were made free by that Act, which took effect on July 1st, 1883, arrived in port on June 30th, 1883, but too late to go into public stores or bonded warehouse on that day: *Held*, that they were not free from duty. *McAndrew v. Robertson*, 170
2. A suit to recover back duties paid June 2d, under protest, was brought June 30th, before the decisions of the Secretary of the Treasury on the appeals to him from the decisions of the collector. The decisions were made by the Secretary July 18th and 23d. The complaint in the suit, and

a bill of particulars covering the importations, were served August 19th. Objection was taken at the trial, that section 2,981 of the Revised Statutes authorized a suit only after a decision by the Secretary: *Held*, that the objection could not avail. *Moller v. Merritt*, 214

See PRACTICE, 3.

E

- EMIGRANT.

See IMMIGRANT.

ENDORSER.

See PROMISSORY NOTE.

EQUITY.

1. A bill in equity being filed to restrain the violation of an agreement, the defendant filed a cross-bill to have the agreement adjudged void, for fraudulent representations by the original plaintiff, and to recover damages. On a demurrer to the cross-bill: *Held*, that such damages could be recovered at law, and that the matter tending to nullify the agreement could be availed of by answer to the original bill. *Lauts v. Gordon*, 85
2. An Institute offered a medal for "the best apparatus for ventilating fan," for which two parties competed. An award being made in favor of one, the other filed a bill in equity against the former and the Institute, to restrain the award to the former, and to have an award made to the plaintiff: *Held*, that the bill would not lie. *N. Y. Exhaust Ventilator Co v. American Institute*, 124
3. Where issue is taken on a plea to a whole bill in equity, and the proofs establish the facts alleged in the plea, the defendant is entitled to judgment, even though, had the plea been set down for argument, the facts averred would not have authorized such judgment. *Bean v. Clark*, 264

4. Rule 88 in Equity held to warrant this conclusion. *id.*

See DEED.

EVIDENCE, 3.

INJUNCTION.

JURISDICTION, 1 to 3.

PARTY.

PATENT, 12 to 14, 33, 58.

PLEADING.

PRACTICE, 1, 2, 4, 6 to 8.

SHERIFF, 2.

EVIDENCE.

1. In Vermont, in a suit in equity, by a receiver of a national bank, against the executor of an estate, and his wife, to collect an assessment on shares in the bank which belonged to the testator, and passed to the executor by the will, in which the wife was residuary legatee, the husband is not a competent witness against the wife, and cannot be compelled to testify against her. *Witters v. Sowles*, 72
2. In a suit in equity, in Vermont, a married woman, defendant, is a competent witness for the plaintiff, although her husband is also a defendant; and, the bill being filed to reach assets of the estate of a testator, to pay an assessment on shares held by him in a national bank, she can be compelled to testify as to assets of the estate which she received, under the will of the testator, from her husband as executor. *Witters v. Sowles*, 87
3. On an accounting by executors under an interlocutory decree against them, in a suit in equity, one of them is a competent witness for himself as to a transaction between him and the testator, and the testimony is not excluded by section 858 of the Revised Statutes. *D'Auxy v. Soutter*, 150

See ATTORNEY, 1.

DAMAGES, 4, 5.

LODGE OF KNIGHTS OF HONOR.

NATIONAL BANK, 7.

PRACTICE, 7.

EXTRADITION.

1. Under section 5,270 of the Revised Statutes, a private person, not au-

thorized by the Executive of a foreign Government, cannot institute a proceeding for the surrender of a fugitive from justice to such Government. *In re Ferrelle*, 155

2. In an extradition proceeding under article 10 of the Treaty with Great Britain of August 9th, 1842, (8 *U. S. Stat. at Large*, 576,) for the delivery of a person charged with forgery committed in India, copies of depositions taken before a magistrate in India were presented, but no original depositions. The certificate of the consul did not certify that they were "authenticated so as to entitle them to be received for similar purposes by the tribunals of the foreign country," as required by § 5 of the Act of August 3d, 1882, (22 *U. S. Stat. at Large*, 216,) nor was there any oral or other proof to that effect. The accused, having been held by the Commissioner, was discharged by the Court. *In re McPhun*, 254

F

FEE.

See COLLECTOR.

FRAUD.

1. A representation by the president of a joint-stock business association, which is, in legal effect, a partnership, with a capital divided into shares, that it is a corporation, made to a person who purchases shares from such president on the faith of such representation, is not a representation of a matter of substance, so as to furnish ground for a rescission of the contract of purchase. *Curtiss v. Hurd*, 376

I

IMMIGRANT.

1. In order to lawfully detain an immigrant, and prevent his landing, the Commissioners of Emigration must, under the Act of August 3d, 1882, (22

U. S. Stat. at Large, 214,) ascertain that he is a "convict, lunatic, idiot, or" "person unable to take care of himself or herself without becoming a public charge" and report that fact in writing to the collector. *In re O'Sullivan*, 416

2. Where this was not done, the immigrant was discharged on *habeas corpus*, the commissioners not desiring to make further examination or report. *id.*

INJUNCTION.

See PATENT, 12 to 14.

INSOLVENCY.

See MORTGAGE, 5 to 7.

INSURANCE (FIRE).

1. A policy of fire insurance was to become void if the assured did not own in fee simple the ground on which the building stood. The assured had a written contract with the fee simple owner of the ground to buy it, had paid the consideration, and had gone into possession, but the deed had not been delivered, though without the fault or neglect of the assured: *Held*, that the policy did not become void. *Lewis v. New England Fire Ins. Co.*, 181
2. A policy of fire insurance was obtained by N., on credit for the premium, and made payable to J., as mortgagee. J. became owner of the property insured, and the policy was confirmed to him, and made payable to C., as mortgagee. There was a clause in it providing that it might be terminated on giving notice to that effect, and that, on surrender of the policy, the insurer should refund any premium that might have been paid, reserving *pro rata* rates, when terminated by the insurer. On a Saturday J. and C. received notice from the insurer that the premium was unpaid, and that, if it was not paid on that day, the policy would be cancelled. The premium not being paid, J. and

C. received notice from the insurer, on Monday following, that the policy was cancelled. Afterwards the property was destroyed by fire. In a suit on the policy, by C., against the insurer: *Held*,

(1.) In the absence of fraud or default on the part of J. or C., the insurer had no right to cancel the policy without giving the insured a reasonable opportunity to secure protection by insurance elsewhere, neither J. nor C. being under any obligation to pay the premium;

(2.) It was proper to submit to the jury the question of reasonable notice;

(3.) The insurer could not terminate the risk without surrendering the note of N. which it had taken for the premium. *Chadbourn v. German-American Ins. Co.*, 492

INTEREST.

See MORTGAGE, 8.
USURY.

INTERNAL REVENUE.

See BOND.

J

JURISDICTION.

1. A Circuit Court of the United States in New York has power, by subpoena, to compel the attendance of a witness within its jurisdiction, before a special master appointed by a Circuit Court of the United States in Indiana, in a cause there pending, and to punish such witness for disobeying the subpoena. *In re Steward*, 219

2. A bill in equity for the infringement of a patent, filed by an exclusive licensee to use and sell, averred that the owner of the patent claimed that the license was forfeited, and was selling the patented article through the defendant, as agent. The answer admitted the validity of the patent and alleged the forfeiture of the

license. The bill was filed in a Circuit Court of the United States in New York, of which State both parties were citizens: *Held*, on the authority of *Hartell v. Tilghman*, (99 U. S., 547,) that the Circuit Court had no jurisdiction of the case, although the Court of Appeals of New York subsequently held that the Courts of New York had no jurisdiction of such a case. *McCarty & Hall Trading Co. v. Glaenger*, 269

3. A bill was filed on an original patent. The defendant answered that it had been surrendered and re-issued. The patent expired. Afterwards the bill was amended to cover the re-issue: *Held*, that the Court had jurisdiction of the cause, in equity. *Reay v. Berlin & Jones Envelope Co.*, 279

4. The Court which first takes cognizance of a controversy is entitled to retain jurisdiction to the end of the litigation, and to take possession and control of the subject-matter of the investigation, to the exclusion of all interference by other Courts of co-ordinate jurisdiction. *Judd v. Bankers' & Merchants' Telegraph Co.*, 420

5. Under sections 488 and 498 of the Code of Civil Procedure of New York, a defendant who does not appear generally, but serves a special answer raising an issue as to the jurisdiction of the Court, does not waive any objection to the jurisdiction. *Hankinson v. Page*, 422

6. The Circuit Court of the United States has no jurisdiction to compel a postmaster, by mandamus, to transmit mail matter at a lower rate of postage than that charged. *United States v. Pearson*, 453

See MORTGAGE, 1.
REMOVAL OF CAUSE.

L

LABEL.

See COPYRIGHT, 7.

LIEN.

1. Where a sheriff levies on a vessel, under an attachment against one of her joint owners, and takes her to and keeps her at a wharf, the wharfinger acquires no lien on her superior to that of a prior mortgage on her. *The Mary K. Campbell*, 475

LODGE OF KNIGHTS OF HONOR.

1. The defendant, a lodge, issued to L. a certificate, in December, 1881, reciting that it was issued on evidence that he was a contributor to the widows' and orphans' benefit fund of the order, and stating that, upon condition that he should comply with the laws, rules and regulations governing the order, and be in good standing at the time of his death, the defendant would pay to his wife, the plaintiff, \$2,000 out of said fund, on satisfactory evidence of his death. L. died in January, 1886. In a suit, by the widow, to recover the \$2,000, the complaint alleged that L. was a member in good standing at the time of his death. The answer denied that the defendant had any knowledge or information sufficient to form a belief that L. was a member in good standing at the time of his death, and alleged that L. was suspended from membership June 1st, 1885, for failure to pay an assessment within 30 days from the date of a notice of the assessment: *Held*,

(1.) It was doubtful whether, under the form of the denial in the answer as to the good standing of L., the plaintiff was bound to prove his good standing, but, the certificate itself and proof of the payment of a prior assessment to the one in question were sufficient to maintain the issue at the outset;

(2.) The proof showed that the notice of the unpaid assessment was given only 12 days before the suspension;

(3.) An admission by L. of the fact of his suspension was not competent to prove that fact, as against the plaintiff, as she was suing in her own right;

(4.) Proof of a mere record of suspension, without proof of pro-

ceedings to found it upon, was not sufficient;

(5.) The requirement as to evidence of death was waived by putting the refusal to pay on other grounds;

(6.) It was proper to direct a verdict for the plaintiff. *Lazensky v. Supreme Lodge*, 588

M

MANDAMUS.

See JURISDICTION, 6.

MARSHAL.

See ATTACHMENT, 1.

MASTER.

See VESSEL.

MERCHANT APPRAISER.

See COLLECTOR.

MORTGAGE.

1. Where a bill to foreclose a mortgage on a railroad in Vermont is filed by citizens of New Jersey against a Vermont railroad corporation, in the Circuit Court of the United States for the District of Vermont, such owners only of the bonds secured by the mortgage as are not citizens of Vermont will be allowed to be made co-plaintiffs. *Jackson & Sharp Co. v. Burlington & Lamoille R. R. Co.*, 194
2. As the statute of Vermont allows to mortgagors time to redeem before sale, on foreclosure, the Court will allow the same time to redeem. *id.*
3. According to the law of Vermont, the principal of the bonds will carry interest, after due, at the rate in the bond, and the coupons, after due, at the usual rate allowed in Vermont. *id.*
4. A mortgage by a person of substantially all his property to secure a debt due by another and not by

himself, is, in Vermont, void as to his creditors. *Knower v. Haines*, 488

5. It is also void under sec. 1,860 of the Revised Laws of Vermont, if made by him when insolvent, or in contemplation of insolvency, within four months of insolvency. *id.*
6. The holder of the mortgage was, in this case, held chargeable with knowledge of the facts and of the law of Vermont. *id.*
7. The statute of Vermont does not impair the obligation of a contract. *id.*

*See LIEN.
RAILROAD.*

MUNICIPAL BOND.

1. The power to issue municipal bonds in aid of an extraneous object is derived exclusively from the legislative authority of the State, and the laws which confer it enter into and form a part of the bonds themselves, as much so as if they were expressly referred to or incorporated in them. *National Bank of the Republic v. City of St. Joseph*, 486

N

NATIONAL BANK.

1. A receiver of a national bank has power to enforce against its directors individually claims for losses incurred through the non-performance, and the negligent performance, of their duties. *Movius v. Lee*, 291
2. On the facts, it was held that one of the directors had ceased to be such at the time of the alleged losses. *id.*
3. As to others it was held that they had no knowledge of the transactions which resulted in the losses. *id.*
4. On dismissing the bill, costs were not allowed to certain of the directors. *id.*
5. In a suit in equity by the receiver of a national bank against four of its

directors, to charge them with losses in consequence of bad loans and discounts, including some to two of them, and with the amounts of dividends taken from its assets, it was held, as to some loans, that they were made in good faith, and the directors were not chargeable; two of them were held liable for loss on a loan to another of them, made in direct violation of the statute; and none of them were held liable for the dividends, the case being, as to those who participated in making them, one merely of misjudgment as to the value of the assets. *Witters v. Soules*, 382

6. A bill in equity was brought in Vermont by the receiver of a national bank, to charge the assets of the estate of H., deceased, in the hands of E., as his executor, with an assessment on 480 shares of the capital stock of the bank, of the par value of \$100 each, made by the Comptroller of the Currency, equal to that amount. In 1864, 450 shares were owned by H., and stood in his name on the books of the bank. As to 50 shares of the 450, which a State tax collector had assumed to sell to E., in 1865, for the non-payment of State taxes: *Held*, that the sale was invalid, and that, on the facts of the case, the title to the 50 shares was in H., at the time of his death, they then standing in his name on the books of the bank. *Witters v. Soules*, 550

7. H. died in 1876, still owning the 450 shares, and they then standing in his name on the books of the bank. He left a will making his wife, S., residuary legatee, and appointing E. his executor. In 1880, S. died, making E. her executor, and M., the wife of E., her residuary legatee. In 1881, under a decree of the proper Probate Court in Vermont, E., as executor of H., transferred to M., as such residuary legatee, on the books of the bank, 400 shares of the stock. They stood in her name on those books, when the bank failed, in April, 1884. On an issue as to whether M. knew of such transfer, and accepted it, *held*, that the testimony of the

tax-listers of the town, as to the contents of the tax-inventories returned by M., was not admissible, nor could the town-clerk be required to produce the inventories, but that the evidence of other persons who saw their contents by her permission was admissible. *id.*

8. It was *held*, that she knew of and assented to the transfer, and that E., as executor of H., was thereby divested of the stock, although the transfer was made to his wife. *id.*
9. Shares which E., as executor, transferred to a person, without consideration, and merely to enable him to become a director, must be regarded as still in the hands of the executor. *id.*
10. The executor having in his hands 80 shares subject to the assessment, the "estate and funds" in his hands were, under § 5,152 of the Revised Statutes, liable to pay \$3,000, with interest from the time it became due. *id.*
11. As to such of the liabilities of the bank to meet which the assessment was made as were not incurred during the life of H., the assets of his estate which have been paid to legatees under his will cannot be made liable for the assessment. *id.*
12. A debt due by the bank to the executor, for property of the estate which he delivered to it before it failed, cannot be set off by him against the liability for the assessment. *id.*
13. H. gave a legacy to M., trustee of B. At the time of the creation of the debts of the bank on account of which the assessment was made, there were funds of the estate in the hands of E. more than the amount of the assessment. E. paid the legacy after the bank failed: *Held*, that the lien created by § 5,152 of the Revised Statutes, on the "estate and funds" in the hands of the executor, followed those assets into the hands of B. and her trustee. *id.*

NAVIGATION.

See COLLISION.
NEGLIGENCE.

NEGLIGENCE.

1. In this case, a tug towing a canal boat astern, through ice, was held not to be liable for damage caused to the canal boat by the ice. *The Packer*, 27
2. What is negligence, in failing to properly secure goods loaded on a lighter, considered. *The City of Alexandria*, 50
3. A lighter, transporting cargo, at Havana, to a steamer, held, on the facts, to have been in the service of the steamer, so that delivery of the cargo to the lighter was delivery of it to the steamer, and made the latter responsible for damage to the cargo by its falling overboard from the lighter. *id.*
4. In a suit in Admiralty, by the owner of a canal boat against the tug towing her, to recover damages for injuries to the tow by striking a rock on shore, the libel alleged, as negligence in the tug, only that she did not keep the tow farther from the shore, that she did not keep a proper lookout, and that she did not have a competent pilot. The answer alleged that the tide and ice caused the accident, and that the tug and her helper did every thing possible to avoid it: *Held*,
 (1.) The allegations of the libel were not made out and those of the answer were established;
 (2.) The tug could not be made liable upon a theory not alleged in the libel, that she was negligent in leaving the tow without a guard, after the accident, so that she was taken possession of by persons who refused to afterwards give her up to the libellant, especially as the libellant acquiesced in leaving her without a guard. *The Young America*, 479

See ADMIRALTY, 1.
DAMAGES, 1.
PRINCIPAL AND AGENT.

P

PARTNERSHIP.

See PATENT, 14.
PLEADING, 8.

PARTY.

1. In a suit in equity brought by the holder of the income bonds of a railroad corporation, against it, to have the amount justly due for interest on the bonds ascertained and paid, but not to foreclose a mortgage given by the corporation to a trustee, to secure the bonds and interest, the trustee is not a necessary party to the suit. *Spies v. Chicago & Eastern Illinois R. R. Co.*, 280

See MORTGAGE, 1.

PATENT.

1. Invention, (1.)
2. Novelty, (2.)
3. Utility.
4. Abandonment.
5. Priority of Invention, (3.)
6. Specification, (4.)
7. Application.
8. Expiration, (5, 6.)
9. Re-issue, (7.)
10. Assignment, (8.)
11. License, (9.)
12. Infringement.
13. Damages, (10, 11.)
14. Suit in Equity.
15. Injunction, (12 to 16.)
16. Profits, (17 to 20.)
17. Patent for a Design, (21.)
18. Particular Patents.
 - (1.) Edwards—Telegraph transmitter, (22 to 25.)
 - (2.) Bishop—Machine for soldering can-caps, (26.)
 - (3.) Hubel—Capsule-cutting machine, (27 to 29.)
 - (4.) Butler and Kelley—Paper for cards and circulars, (30.)
 - (5.) Kittle—Spiral spring for mattresses and furniture, (31 to 34.)
 - (6.) Holliday—Coloring matter. Caro—Coloring matter, (35 to 39.)

- (7.) Low—Dentistry. Richmond—Dentistry. Richmond—Dentistry, (40 to 44.)
- (8.) Cooke—Letter and invoice file, (45.)
- (9.) Demarest—Slop-safe for water-closet, (46.)
- (10.) Sanborn, Kanouse and Sanborn—Fabric for collars and cuffs, (47, 48.)
- (11.) Pentlarge—Bung for cask. Pentlarge and Hirsch—Bung for cask. Borst—Bung for cask, (49.)
- (12.) Cluett—Shirt-bosom, (50.)
- (13.) Hill—Dating-stamp, (51 to 53.)
- (14.) Morse—Breech-loading firearm, (54 to 58.)
- (15.) Bell—Telegraphy, (59 to 61.)
- (16.) Gibbons—Pantaloons, (62.)

1. Invention.

1. In view of the state of the art, it was no patentable invention to fold down the edge of a celluloid collar and cuff and form a hem by cementing the folded part down. *Celluloid Mfg. Co. v. Zylonite Novelty Co.*, 319

See 1, 5, 13, 21, 25, 30, 37, 43 to 46, 49, 50 to 52.

2. Novelty.

2. If a prior foreign patent describes a device covered by a patent of the United States, or describes it so nearly that it is made patent to the public, and the clumsiest mechanic can readily make the change from the one to the other, the latter patent cannot be sustained. *United States Bung Mfg. Co. v. Independent Bung & Bushing Co.*, 406

See 1, 5, 13, 21, 25, 30, 37, 43 to 46, 49 to 52, 61.

3. Utility.

See 25.

4. Abandonment.

See 32, 42.

5. *Priority of Invention.*

3. A prior inventor who applied for a patent 19 months after he completed his working drawings, and 10 months after he completed his machine, is not guilty of such laches as to deprive him of the benefit of his patent, although it was applied for by him more than 3 months after a patent was granted to a junior inventor, the prior inventor having produced a successful machine before the patent was issued to the junior inventor. *Hubel v. Dick*, 59

6. *Specification.*

4. Where the descriptive part of the specification of a patent is not only silent in regard to a feature of an invention claimed, but places the novelty upon a different and described feature, such omission cannot be aided by the drawings. *Gunn v. Savage*, 247

See 24.

7. *Application.*

See 41.

8. *Expiration.*

5. Under § 25 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 201,) now § 4,887 of the Revised Statutes, by which a United States patent expires at the same time with a foreign patent previously granted for the same invention, the inventions are the same, although there is added in the later patent an incident to the principal invention, which is not a substantial invention by itself. *Clark v. Wilson*, 38
6. Under section 4,887 of the Revised Statutes, letters patent of the United States for an invention previously patented in a foreign country for a definite term, run for that term, and their duration is not shortened by the fact that the patentee failed to pay a stamp duty required as a condition of the continuance of the for-

eign patent beyond the term of 3 years from its date. *Paillard v. Bruno*, 177

9. *Re-issue.*

7. Although a claim in a re-issued patent may have been introduced for the purpose of stating the invention of the patentee, as a substitute for a too broad claim in the original patent, yet if the new claim claims an invention which is different from, and independent of, and a radical transformation of, the invention stated in the original claim, and the re-issue was applied for 5 years after the date of the original patent, without adequate excuse for the delay, the new claim is void. *Hubel v. Dick*, 139

The decision in *Hubel v. Dick*, (*ante*, p. 59,) affirmed. *id.*

See 28, 62.

10. *Assignment.*

8. A sealed assignment of letters patent for an invention, when executed by a person acting as an attorney, must be executed in the name of the principal, and purport to be sealed with his seal, in order to pass the title. *Machemey v. Brown*, 168

11. *License.*

9. S., the owner of letters patent, assigned to H. all his interest in the invention secured by the patent for the State of New York, to be held by H. "as fully and entirely as the same would have been held" by S., "if this assignment and sale had not been made." H. granted to F. an exclusive license to make, use and sell the patented improvement in the cities of New York and Brooklyn, "and sell in the State of New York, and elsewhere." In a suit by the owners of the patent for territory outside of the State of New York, against F., for selling the improvement in such outside territory: *Held*, that F. had no such right. *Hatch v. Hall*, 355

12. *Infringement.*

See 13, 23 to 27, 34, 47, 48, 53 to 57, 60, 62.

13. *Damages.*

10. Where a patent has been infringed by the sale of the patented article, the royalty paid for the right to use it is not evidence of the amount of damages from the sale. *Colgate v. Western Electric Mfg. Co.*, 75

11. Royalty paid for the whole monopoly of making and selling the article is not sufficient evidence of the value of the right to make occasional sales in a particular territory. *id.*

See 18, 20.

14. *Suit in Equity.*

See 12 to 14, 33.

JURISDICTION, 2. 3.

15. *Injunction.*

12. An injunction will not be granted on the motion of a defendant in a suit in equity for the infringement of letters patent, to restrain the plaintiff from interfering with purchasers from the defendant of infringing articles made by him, by threatening to sue such purchasers for using the articles. *Tuttle v. Matthews*, 16

13. A preliminary injunction was not granted, to restrain the infringement of letters patent for a design for a banner rod, consisting of a conventional imitation of a straight twig with the bark on and slantingly cut ends, because of doubt whether the design showed sufficient genius or invention to be patentable. *Osborn v. Judd*, 167

14. A copartnership firm made and sold stoves containing improvements covered by patents owned by A., a member of the firm, under circumstances implying a license to do so. The firm being dissolved, a receiver of its assets was appointed by a Court. He was proceeding to sell stoves made

by the firm before its dissolution. A. brought a suit in equity to enjoin the receiver from doing so: *Held*, that the injunction ought not to be granted. *Montross v. Mabie*, 282

15. In order to warrant the granting of a preliminary injunction to restrain the infringement of letters patent, it is necessary there should be a special presumption that the patent is valid, and that can arise only on proof of an adjudication in favor of such validity, or of acquiescence by the public, or of the success of the patent in an interference in the Patent Office. *Edward Barr Co. v. New York & New Haven Automatic Sprinkler Co.*, 566

16. In the case of an interference, the presumption arises only against a party to it or his privy. *id.*

16. *Profits.*

17. On a reference to a master to ascertain the profits from infringing a patent for improvements on a machine, it is erroneous to award the profits on the entire machine, unless the plaintiff proves that the entire market value of the machine is due to the patented features. *Fay v. Allen*, 275

18. In an accounting for profits and damages, on a patent for a lock for travelling bags, the plaintiff showed that he made a profit from making and selling the locks, of 91 cents per dozen, but did not show that his profits were due to the patented feature of the lock, in whole or in any definite part, or that he would have made and sold the locks if the defendant had not made and sold them: *Held*, that the plaintiff could recover only nominal damages. *Roemer v. Simon*, 396

19. A plaintiff in a suit in equity is entitled to only nominal damages for the infringement of a patent, unless he shows what profit the defendant has derived from the invention. *Everest v. Buffalo Lubricating Oil Co.*, 463

20. In such a case, where the master's report awards only nominal damages, and the plaintiff excepts to it, and the exceptions are overruled, the plaintiff will be charged with the costs of the reference, including the master's fees and the costs of the exceptions and of the hearing thereon. *id.*

17. *Patent for a Design.*

21. It is not novelty which will sustain a design patent, to transfer to rubber, or to a rubber mat, an effect or impression to the eye which has been produced upon other materials or articles by contrast or variation of light and shade. *N. Y. Belting & Packing Co. v. N. J. Car Spring & Rubber Co.*, 345

See 13.

18. *Particular Patents.*

(1.) *Edwards—Telegraph transmitter.*

22. Claim 3 of letters patent No. 270,767, granted to Edgar A. Edwards, January 16th, 1888, for an "improvement in telegraph transmitters," namely, "3. The combination, in a telegraph key, of the lever fulcrumed upon the torsional spring, with the adjusting springs H, H', for regulating the amplitude of the lever movement and the retractile resistance of the torsion-spring, substantially as described," is valid. *La Rue v. Western Electric Co.*, 18

23. That claim is infringed by the use of the combination in a sounder, at the receiving end of the line, although a retractile spring is added. *id.*

24. The language of the specification immediately preceding the claim extends its scope beyond the use of the combination in a telegraph key, and to its use in a sounder. *id.*

25. Claim 3 of letters patent No. 270,767, granted to Edgar A. Edwards, January 16th, 1888, for an improvement in instruments used for transmitting telegraphic signals, namely, "(3.) The combination, in a telegraph key, of

the lever fulcrumed upon the torsional spring, with the adjusting screws H H', for regulating the amplitude of the lever movement and the retractile resistance of the torsion-spring, substantially as described," is not void for lack of utility or of invention, and covers the use of the combination set forth, in a telegraph sounder. *La Rue v. Western Electric Co.*, 392

(2.) *Bishop—Machine for soldering can-caps.*

26. The first claim of letters patent No. 109,577, granted to William B. Bishop, November 29th, 1870, for an improvement in machines for soldering can-caps, namely, "1. The ring or cup-shaped soldering tool, G, for soldering the caps upon cans, substantially as herein shown and described," is not infringed by the use of a hand soldering tool which is concave and has a ring-shaped edge. *Bishop v. Romaine*, 38

(3.) *Hubel—Capsule-cutting machine.*

27. Claim 1 of re-issued letters patent No. 10,437, granted to Frederick A. Hubel, January 15th, 1884, on an application made November 16th, 1883, for a machine for cutting off gelatine capsules, (the original patent having been granted to him February 13th, 1877, and re-issued as No. 8,440, October 1st, 1878, on an application made August 17th, 1878,) namely, "1. In a machine for cutting off capsules, the combination of the series of moulds, e, and the rack, pinion and lever, F, T, H, or their equivalents, substantially as and for the purposes described," is not infringed by a machine constructed in accordance with letters patent No. 305,867, granted to William A. Tucker, September 30th, 1884, for an improved gelatine capsule-cutting machine. *Hubel v. Dick*, 59

28. Claim 6 of re-issue No. 10,437, namely, "6. In a capsule-cutting machine, the combination with the supporting-frame, of a mould-plate, bearing a series of capsule moulds,

- substantially such as described, secured thereto at regular intervals, and a series of knives arranged at like regular intervals as said moulds, and adapted to cut the capsules formed thereon, substantially as described," is invalid, as being a claim to a sub-combination of separate parts in the entire machine covered by the original patent, and a claim to a different invention, applied for after an unreasonable delay, and after the equitable rights of other parties had intervened. *id.*
29. The decision in *Hubel v. Dick*, (*ante*, p. 59,) affirmed. *Hubel v. Dick*, 139
- (4.) *Butler and Kelley—Paper for cards and circulars.*
30. The invention covered by letters patent No. 273,023, granted to Orlando W. Butler and Thomas W. Kelley, February 27th, 1883, for an improvement in paper for cards and circulars, namely, an invitation card with two or more folds, having embossed thereon panels to represent cards, upon which the printing is afterwards done, was new and useful, and patentable, and involved invention. *Butler v. Bainbridge*, 163
- (5.) *Kittle—Spiral spring for mattresses and furniture.*
31. Claims 1 and 2 of letters patent No. 98,505, granted to Samuel P. Kittle, January 4th, 1870, for an improved spiral spring for mattresses and furniture, are valid. *Kittle v. Hall*, 184
32. Claim 3 was inserted in the application more than 4 years after the application was filed, and more than 2 years after articles containing what is covered by the claim were sold with the knowledge and consent of the patentee. Claim 3 is, therefore, invalid. *id.*
33. Under the circumstances of this case, a delay of 7 years in bringing suit on the patent was held not to bar the right of action in equity. *id.*
34. The defendant held to infringe claims 1 and 2. *id.*
- (6.) *Holliday—Coloring matter.*
Caro—Coloring matter.
35. In a suit in equity brought to restrain the infringement of letters patent No. 250,247, granted to John Holliday, assignor, November 20th, 1881, and to vacate letters patent No. 250,201, granted to Heinrich Caro, assignor, the same date, each claiming a coloring matter as a product, and each claiming a process of converting rosaniline into a sulpho-acid: *Held*, that, as between Holliday and Caro, the former was the prior inventor of the product and process of his patent; and that a dye-stuff having the properties specified in that patent can be produced by following its description of the process. *Holliday v. Pickhardt*, 201
36. Each process will produce a trisulpho acid of rosaniline. *id.*
37. The second or process claim of the Holliday patent is void for want of novelty. *id.*
38. The defendants are not estopped from contesting the validity of the claims of the Holliday patent, by reason of the fact that, in an interference declared by the Patent Office between the two applications, they contended that the subject-matter of the claims was patentable, and that Caro was entitled to a patent as the prior inventor. *id.*
39. The first or product claim of the Holliday patent is valid, and is not limited to an article produced by the process of the second claim. *id.*
- (7.) *Low—Dentistry.*
Richmond—Dentistry.
Richmond—Dentistry.
40. Letters patent No. 238,940, granted to James E. Low, March 15th, 1881, for an improvement in dentistry, are valid. *International Tooth Crown Co. v. Richmond*, 223

41. An application for the patent was filed January 6th, 1879. It was not abandoned, but a second application was filed December 20th, 1880, on the suggestion of the examiner in the Patent Office. Both applications are to be considered as part of one continuous proceeding. *id.*
42. Claims 4, 5 and 6 of letters patent No. 277,941, granted to Cassius M. Richmond, assignor, May 22d, 1883, for an improvement in dentistry, are invalid, because the inventions had been in public use for more than two years before the application for the patent. *id.*
43. Claims 1, 2 and 3 of that patent cover a mere matter of mechanical improvement on what existed before, which in itself has no patentable novelty. *id.*
44. The three claims of letters patent No. 277,983, granted to Alvan S. Richmond, assignor, May 22d, 1883, for an improvement in dentistry, embrace nothing which involves invention. *id.*
- (8.) *Cooke—Letter and invoice file.*
45. Claims 3 and 4 of letters patent No. 282,275, granted to William A. Cooke, Jr., July 31st, 1883, for a letter and invoice file, do not cover any patentable invention, the device added to prior structures being one to merely strengthen them, by obvious means, in weak places. *Cooke v. Globe Files Co.*, 272
- (9.) *Demarest—Slop-safe for water-closet.*
46. Letters patent No. 199,806, granted to John Demarest, January 29th, 1878, for an improvement in slop-safes for water-closets, are void, because they cover merely the making of cast iron an article before made of other substances. *J. L. Mott Iron Works v. Cassidy*, 289
- (10.) *Sanborn, Kanouse and Sanborn—Fabric for collars and cuffs.*
47. The claim of letters patent No. 200,937, granted to R. H. Sanborn, C. O. Kanouse and A. A. Sanborn, March 5th, 1878, for an improved fabric for collars and cuffs, namely, "A fabric for collars and cuffs, or other similar articles, having outer sheets or layers of celluloid and an interlining of textile or fibrous material, substantially as and for the purpose specified," is infringed where one defendant makes a fabric of two sheets of cloth, with a paper interlining; and another defendant places a sheet of zylonite on one side of the fabric; and the first defendant then turns the edge so that there is a surface of zylonite on both sides at all the edges of the collar except at the neck-band, the edges being made secure with paste, the body of the back of the collar having no zylonite surface; and a third defendant sells the collars. *Celluloid Mfg. Co. v. American Zylonite Co.*, 321
48. All of the defendants, with a common purpose, and by concerted action, infringe the patent. *id.*
- (11.) *Pentlarge—Bung for cask.*
Pentlarge and Hirsch—Bung for cask.
Borst—Bung for cask.
49. Re-issued letters patent No. 5,937, granted to Rafael Pentlarge, June 30th, 1874, and re-issued letters patent No. 10,175, granted to Frederick Pentlarge and Philipp Hirsch, August 1st, 1882, and letters patent No. 208,816, granted to George Borst, May 7th, 1878, all of them for improvements in bungs for casks, are void for want of novelty and invention. *United States Bung Mfg. Co. v. Independent Bung & Bushing Co.*, 408
- (12.) *Cluett—Shirt-bosom.*
50. Letters patent No. 156,880, granted to Robert Cluett, November 17th, 1874, for an improvement in shirt-bosoms, the alleged invention consisting in binding a shirt-bosom and afterwards sewing it through the binding to the body of the shirt, are void for want of patentable invention. *Cluett v. Clafin*, 412

(13.) *Hill—Dating-stamp.*

51. Letters patent No. 185,862, granted to Benjamin B. Hill, January 2d, 1877, for an improvement in dating stamps, are valid. *Hill v. Sawyer*, 430
52. There was sufficient patentable novelty in the invention. *id.*
53. The first claim of the patent is not infringed by a dating-stamp made in accordance with letters patent No. 287,177, granted to Willard W. Sawyer, October 23d, 1883. *id.*

(14.) *Morse—Breech-loading fire-arm.*

54. Claim 1 of letters patent No. 15,995, granted to George W. Morse, October 24th, 1856, for improvements in breech-loading fire-arms, and extended for 7 years from November 29th, 1872, namely, "Inserting the rim, (N,) or its equivalent, without contact, into the chamber, (O,) substantially in the manner and for the purpose described, contact being obtained through the medium of the cartridge case," is not infringed by a gun in which, though there is an open joint, there is no capped rim N, and no grooved chamber O, though there is a chamber, but the rim of its breech-block is not inserted into the rear end of the barrel. *Morse Arms Mfg. Co. v. Winchester Repeating Arms Co.*, 496
55. Claim 1 does not cover every breech-loading gun in which there is a space between the forward end of the breech-block and the end of the barrel, designedly left to secure freedom of motion of the parts, and in which contact is obtained by the expansion of a loosely fitting cartridge-case. *id.*
56. Such a construction of the claim cannot be admitted, in view of the state of the art. *id.*
57. Claim 2 of the patent, namely, "I claim the nippers S, and the mode of operating them by the pins *r r*, and the shoulders 7 on the hammer, or equivalents therefor," does not cover

all extracting hooks which are attached to the breech-block and move radially, but only includes the nippers S and any equivalent mechanism which is attached to the breech-block and withdraws the cartridge in substantially the same way as do the nippers S. *id.*

58. On a cross-bill filed to obtain the cancellation of a written agreement between the parties, the repayment of \$10,000, and an injunction against any attempt to collect a note for \$15,000, on the ground that the money was paid and the note given solely on the consideration of fraudulent papers exhibited to the agent of the party paying the money and giving the note, this Court, though of opinion that the money was paid and the note given on a mistake as to material facts, *held*, that the defence was as available in a suit at law as on a bill in equity, and dismissed the cross-bill without prejudice to the right to interpose the defences, except the defence of fraud, in any action at law that might be brought. *id.*

(15.) *Bell—Telegraphy.*

59. The construction placed upon claim 5 of letters patent No. 174,465, granted to Alexander Graham Bell, March 7th, 1876, for improvements in telegraphy, by this Court, in *American Bell Telephone Co. v. Molecular Telephone Co.*, (23 *Blatchf. C. C. R.*, 253,) followed. *American Bell Telephone Co. v. Globe Telephone Co.*, 522
60. On the facts, it was held that the corporation defendant had used the patented invention. *id.*
61. It was also held that the alleged prior invention of Antonio Meucci was only experimental and was without any practical result. *id.*

(16.) *Gibbons—Pantaloons.*

62. Claim 2 of re-issued letters patent No. 9,616, applied for February 19th, 1881, and granted March 22d, 1881, to Rodmond Gibbons, for an improve

ment in pantaloons, the original patent having been granted June 6th, 1876, namely, "2. In combination with the fly portion of a pair of pantaloons or other similar garment, a check-piece made integral with the button-hole strip of the fly, and adapted to prevent any tension at the crotch & that might operate injuriously upon it," is invalid, as an unlawful expansion of the claim of the original patent, unless it is limited to a check-piece which is a bridge across the crotch, and, so limited, it is not infringed by a construction in which there is no such bridge. *Patent Clothing Co. v. Glover*, 542

PENALTY.

See COLLECTOR.

PLEADING.

1. A demurrer to a supplemental bill overruled, under the special circumstances of the case. *Hubel v. Dick*, 59
2. A plea to a bill in equity against W. and others, for the infringement of a trade-mark, alleged the pendency of another suit, brought by the plaintiff against W. for the same matters, and that the defendants other than W. were his agents and servants in doing the wrongful acts complained of: *Held*, that the plea was bad. *Estes v. Worthington*, 348
3. In a common law action, by one partner against another, for a breach of the contract of partnership, a counterclaim by the defendant, alleging a breach of such contract by the plaintiff, is proper, under the practice in New York; but a counterclaim praying an accounting and adjustment of the affairs of the partnership, being an equitable cause of action, is not admissible. *Church v. Spiegelburg*, 540

See EQUITY, 3, 4.

JURISDICTION, 5.

LODGE OF KNIGHTS OF HONOR.

PRACTICE, 4.

PRACTICE.

1. A motion by the defendants in a suit in equity, that the plaintiff produce before an examiner, in the taking of proofs, certain classes of papers, alleged to be under his control, but not specifying any particular book, document or writing, will be denied. *Bischoffaheim v. Brown*, 178
2. The proper practice on the subject, in a suit in equity, pointed out. *id.*
3. Two suits were brought to recover back duties paid to a collector of customs. No. 1 was brought within 90 days after the decision of the Secretary of the Treasury on appeal. No. 2 was not brought till after the 90 days had expired. The plaintiff moved to amend the bill of particulars in No. 1 by including in it the items sought to be recovered in No. 2: *Held*, that, under section 2,981 of the Revised Statutes, the motion must be denied. *Dieckerhoff v. Robertson*, 242
4. A defendant in a suit in equity, after a replication to his answer, moved for leave to withdraw his answer and to demur to the bill, on the ground that, since the replication was filed, the bill had been dismissed as to a co-defendant, on his demurrer to it: *Held*, that the motion must be denied. *Phelps v. Elliott*, 271
5. The Supreme Court of the United States reversed the judgment of a State Court in favor of the plaintiff, on the ground that that Court had no jurisdiction of the suit, because it had been removed to this Circuit Court of the United States. The mandate directed the State Court to proceed no further in the cause, and awarded \$108.84, as costs of the Supreme Court, against the plaintiff. The State Court, on the mandate, reversed its judgment, and awarded against the plaintiff \$1,206.80, as costs and allowance. The defendant moved, in this Court, for a stay until that amount should be paid: *Held*, that the motion must be denied, except as to the \$108.84. *Tugman v. National Steamship Co.*, 306

6. After a decision was made in a suit in equity, and before a decree was entered, the defendant moved for leave to take further testimony, on the ground that he did not cross-examine one witness on a particular point; that he did not cross-examine another witness; that his principal counsel was absent at the taking of the testimony; and that his counsel who was present was not familiar with the details of the case: *Held*, that the motion must be denied. *Witters v. Sowles*, 359
7. If it is within the discretion of the Court, in a suit in equity, to permit the defendant to attend by counsel and cross-examine a witness orally, on the execution of a commission issued on the part of the plaintiff to examine the witness on written interrogatories, such discretion should be exercised only when a clear case of necessity is made out. *Coates v. Merrick Thread Co.*, 478
8. After the plaintiff in a suit in equity had completed his proof, the defendant moved to dismiss the bill on the ground that the testimony failed to support any right to relief, and that it showed that there was not a sufficient amount in controversy to give the Court jurisdiction: *Held*, that the motion must be denied, and the case be tried in the regular way. *Fuller v. Metropolitan Life Ins. Co.*, 548

See ATTORNEY.

COLLISION, 8.

EQUITY, 8, 4.

JURISDICTION, 1, 5.

REMOVAL OF CAUSE, 1, 2.

PRINCIPAL AND AGENT.

1. An employer is liable for a wrongful act done by an employé by virtue of an authority which the employer has conferred, even when done to an employé in the same employment. *Mason v. Edison Machine Works*, 93

PROMISSORY NOTE.

1. A promissory note was made in Georgia, by G., a resident and citizen of

Georgia, to the order of C., a resident and citizen of Connecticut, who endorsed it in Connecticut, for the accommodation of G., and sent it to G. in Georgia, who had it discounted there by L., who transferred it to S., who sued C. upon his endorsement, in Connecticut. The complaint did not allege that C. was notified of any demand on the note, of its protest for non-payment, or of its non-payment. On demurrer to the complaint: *Held*,

(1.) By the law of Georgia, notice of the non-payment of the note need not have been given to C.;

(2.) The endorsement was to be governed by the law of Georgia. *Stubbs v. Colt*, 314

PROTEST.

See PROMISSORY NOTE.

R

RAILROAD.

1. Where the decree for the sale of a railroad, on foreclosure, provided that the sale should be "subject to the payment of the undue principal and interest" of certain receiver's certificates, the purchaser on the sale cannot, on a bill filed by the holder of the certificates to enforce the lien therefor, insist that the lien exists only to the extent of the amount originally paid to the receiver for the certificates. *Central National Bank v. Hazard*, 310

See MORTGAGE, 1.

RECEIVER.

See PATENT, 14.

RAILROAD.

REMOVAL OF CAUSE.

1. The right to remove a cause is not absolutely lost by the failure to file the record from the State Court in this Court on the first day of its next term. *Rosell v. Hill*, 186

2. A defendant who has removed a cause does not waive his right to do so by unsuccessfully insisting in the State Court that the cause was not removed. *id.*
3. A suit brought in a State Court on behalf of the plaintiff and all others similarly situated, who may become plaintiffs, cannot be removed into the Federal Court, where the plaintiff claims only \$500, and no other person has become a plaintiff, although the amount to which all others similarly situated would be entitled is \$90,000. *Massa v. Cutting*, 239
4. A suit brought in a State Court of New York, by a citizen of New York against a citizen of Connecticut, as treasurer of a joint-stock association of New York, which is a partnership and not a corporation, and is, by a statute of New York, suable by its treasurer, the suit being brought to restrain the maintenance of an awning over part of a street adjoining the plaintiff's premises, involves more than \$500, if the value of the right to maintain the awning is more than \$500, and is a suit between citizens of different States. *Whitman v. Hubbell*, 240
5. Where a cause has been remanded to a State Court, because the petition for removal by the defendant did not set forth the diverse citizenship of the parties at the commencement of the suit as well as at the time of removal, the defendant cannot again remove the cause on the ground of diversity of citizenship. *Johnston v. Donovan*, 274
6. An action was commenced in a State Court February 10th, 1887. The defendant's time to answer would have expired March 2d, but, by stipulation, the time to answer was extended to March 30th. A petition and bond for removal were filed April 8th: *Held*, that, under § 3 of the removal Act, as amended by the Act of March 3d, 1887, (23 U. S. Stat. at Large, 553,) the petition was filed too late, not having been filed at the time the defendant was "required, by

the laws of the State or the rule of the State Court," to answer to the complaint. *Simonson v. Jordan*, 374

7. A defendant had lost the right of removing a suit from the State Court into this Court before the Act of March 3d, 1887, (23 U. S. Stat. at Large, 552,) was passed. After that Act was passed, the pleadings were amended, and he filed a petition for removal with his amended answer: *Held*, that he was too late. *Woolf v. Chisolm*, 405

S

SALE.

See FRAUD.

SHERIFF.

1. In the absence of authority from the owner of personal property levied on under execution, a sheriff has no right to employ an auctioneer to sell such property. *Wallis v. Shelly*, 348
2. In view of the special facts in this case, *held*, that a bill in equity would lie against the sheriff and the auctioneer for a discovery and an accounting in respect of moneys retained by the auctioneer for his fees. *id.*

See ATTACHMENT, 2.
LIEN.

STATUTE.

1. Explicit provisions in a statute, comprehending in terms a whole class of cases, are not to be restrained by applying to those cases an implication drawn from subsequent words, unless that implication is very clear, necessary and irresistible. *National Bank of the Republic v. City of St. Joseph*, 436
2. The order of arrangement of the various sections of a legislative Act is never, independently of other circumstances, worthy of consideration in interpretation. *id.*

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TAX.

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TOWAGE.

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TRADE-MARK.

1. The word "Kaiser," as a trade-mark for natural mineral water, could not be lawfully registered, in 1883, under the Act of March 3d, 1881, (21 U. S. Stat. at Large, 502). *Luyties v. Hollender*, 353
2. The title "Chatterbox," as designating a series of books of a juvenile

character, is a valid trade-mark.
Estes v. Worthington, 871

See PLEADING, 2.

TRUSTEE.

See PARTY.

TRUSTEE PROCESS.

See ATTACHMENT, 1.
CORPORATION.

U

UNITED STATES.

1. An assignee in bankruptcy is liable personally to the United States, for money which he distributed among creditors of the bankrupt instead of retaining it or applying it to pay a preferred claim of the United States against the bankrupt, where he had notice of such claim before he made such distribution, although the United States did not prove their claim in the bankruptcy proceeding before he made such distribution. *United States v. Barnes*, 466

UNITED STATES COMMISSIONER.

1. In this case, a United States Commissioner was acquitted of all charges affecting his integrity, but the Court announced that it should thereafter regard it as sufficient cause for removing a Commissioner if he abetted or encouraged the prosecution of violations of the internal revenue laws, set in motion by "professional witnesses." *In re Gilbert*, 325

USURY.

1. A contract for the loan of money, valid by the law of Rhode Island, where it was made, is not affected by the fact that the notes evidencing the loan were made payable in New York, by the law of which State the

contract would have been void for usury. *Brown v. American Finance Co.*, 384

V

VESSEL.

1. A citizen of the United States made a contract, at the city of New York, to act as master of a vessel, with a citizen of the United States, who resided at that city, and was, and was supposed by the master to be, the real owner of the vessel, though she was registered as a British vessel and carried the British flag: *Held*, that, as between the parties, she was an American vessel, and there was no lien on her for the master's wages, though, if she had been a British vessel, there would have been such lien, by a statute of Great Britain. *The J. L. Pendergast*, 519

See ADMIRALTY.
CHARTER-PARTY.
COLLISION.
DEMURRAGE.
LIEN.
NEGLIGENCE, 1 to 3.

W

WHARF.

1. The occupant of a wharf, who has the general possession and control of it, is under an obligation to keep the approach to it, under the water, in a reasonably safe condition for use by those who lawfully resort to it, and is liable in damages for a breach of such obligation. *O'Rourke v. Peck*, 478

See LIEN.

WITNESS.

See COSTS, 3.
EVIDENCE.
JURISDICTION, 1.

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